

MUNICIPALITY OF CAGUAS

5 Year Plan for Fiscal Years 2000 - 2004
Annual Plan for Fiscal Year 2001

**NOTE: THIS PHA PLANS TEMPLATE (HUD 50075) IS TO BE COMPLETED IN
ACCORDANCE WITH INSTRUCTIONS LOCATED IN APPLICABLE PIH NOTICES**

PHA Plan Agency Identification

PHA Name: Municipality of Caguas

PHA Number: RQ007

PHA Fiscal Year Beginning: (mm/yyyy) 07/2001

Public Access to Information

Information regarding any activities outlined in this plan can be obtained by contacting: (select all that apply)

- ☐ Main administrative office of the PHA
- ☐ PHA development management offices
- ☒ PHA local offices

Display Locations For PHA Plans and Supporting Documents

The PHA Plans (including attachments) are available for public inspection at: (select all that apply)

- ☐ Main administrative office of the PHA
- ☐ PHA development management offices
- ☒ PHA local offices
- ☐ Main administrative office of the local government
- ☐ Main administrative office of the County government
- ☐ Main administrative office of the State government
- ☐ Public library
- ☐ PHA website
- ☐ Other (list below)

PHA Plan Supporting Documents are available for inspection at: (select all that apply)

- ☐ Main business office of the PHA
- ☒ PHA development management offices
- ☐ Other (list below)

5-YEAR PLAN
PHA FISCAL YEARS 2000 - 2004
[24 CFR Part 903.5]

A. Mission

State the PHA's mission for serving the needs of low-income, very low income, and extremely low-income families in the PHA's jurisdiction. (select one of the choices below)

- ☐ The mission of the PHA is the same as that of the Department of Housing and Urban Development: To promote adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination.
- ☒ The PHA's mission is: (state mission here)
The mission of the Municipality of Caguas is supplied affordable housing, economic opportunity and a suitable living environment free for discrimination to low and very low income families and as an active participant in its own progress towards self-sufficiency not as a "client" dependent on governmental services.

B. Goals

The goals and objectives listed below are derived from HUD's strategic Goals and Objectives and those emphasized in recent legislation. PHAs may select any of these goals and objectives as their own, or identify other goals and/or objectives. Whether selecting the HUD-suggested objectives or their own, **PHAS ARE STRONGLY ENCOURAGED TO IDENTIFY QUANTIFIABLE MEASURES OF SUCCESS IN REACHING THEIR OBJECTIVES OVER THE COURSE OF THE 5 YEARS.** (Quantifiable measures would include targets such as: numbers of families served or PHAS scores achieved.) PHAs should identify these measures in the spaces to the right of or below the stated objectives.

HUD Strategic Goal: Increase the availability of decent, safe, and affordable housing.

- ☒ PHA Goal: Expand the supply of assisted housing
Objectives:
- ☒ Apply for additional rental vouchers: Apply for an additional 150 Vouchers
- ☐ Reduce public housing vacancies:
- ☒ Leverage private or other public funds to create additional housing opportunities: To develop affordable housing for homeownership for a families that qualifies under the income limits as follows:
- Avenida Troche 42 units
Hostal La Paz 134 units
Paseo Las Catalinas 140 units
Vistas El Campito 225 units
Finca Halais 30 units
Boriquen 48 units
Idamaris I 25 units
Idamaris II 45 units
Bunker 12 units
- ☐ Acquire or build units or developments
- ☐ Other (list below)
- ☒ PHA Goal: Improve the quality of assisted housing
Objectives:
- ☐ Improve public housing management: (PHAS score)
- ☐ Improve voucher management: (SEMAP score)
- ☒ Increase customer satisfaction: Conduct 4 annual meeting with tanants.
- ☐ Concentrate on efforts to improve specific management functions: (list; e.g., public housing finance; voucher unit inspections)
- ☐ Renovate or modernize public housing units:
- ☐ Demolish or dispose of obsolete public housing:
- ☐ Provide replacement public housing:
- ☐ Provide replacement vouchers:
- ☐ Other: (list below)
- ☒ PHA Goal: Increase assisted housing choices
Objectives:

- ☐ Provide voucher mobility counseling:
- ☒ Conduct outreach efforts to potential voucher landlords Publish Notice to prospective landlords in general circulation newspaper.
- ☒ Increase voucher payment standards Conduct a market study for rent in local area.
- ☐ Implement voucher homeownership program:
- ☐ Implement public housing or other homeownership programs:
- ☐ Implement public housing site-based waiting lists:
- ☐ Convert public housing to vouchers:
- ☐ Other: (list below)

HUD Strategic Goal: Improve community quality of life and economic vitality

- ☒ PHA Goal: Provide an improved living environment
Objectives:
 - ☐ Implement measures to deconcentrate poverty by bringing higher income public housing households into lower income developments:
 - ☐ Implement measures to promote income mixing in public housing by assuring access for lower income families into higher income developments:
 - ☐ Implement public housing security improvements:
 - ☒ Designate developments or buildings for particular resident groups (elderly, persons with disabilities) The Municipality of Caguas facilitate the construction of the project Hostal La Paz. This project will include 125 units destined to elderly families and persons with disabilities.
 - ☐ Other: (list below)

HUD Strategic Goal: Promote self-sufficiency and asset development of families and individuals

- ☒ PHA Goal: Promote self-sufficiency and asset development of assisted households
Objectives:

- ☐ Increase the number and percentage of employed persons in assisted families:
- ☒ Provide or attract supportive services to improve assistance recipients' employability:
The Department of Housing has a unit called "Iniciativas Residentes" which has been developing programs to the section 8 tenants. It works in coordination with the educational and employment services. This unit uses the cooperation of the private and Municipal Agencies.
- ☐ Provide or attract supportive services to increase independence for the elderly or families with disabilities.
- ☐ Other: (list below)

HUD Strategic Goal: Ensure Equal Opportunity in Housing for all Americans

- ☒ PHA Goal: Ensure equal opportunity and affirmatively further fair housing Objectives:
 - ☒ Undertake affirmative measures to ensure access to assisted housing regardless of race, color, religion national origin, sex, familial status, and disability: The Department of Housing will give weekly orientation to the families that visits our office. It will also give them all the brochures of the different program that the Department has regardless of race, religion, national origin, sex, familial status and disability.
 - ☐ Undertake affirmative measures to provide a suitable living environment for families living in assisted housing, regardless of race, color, religion national origin, sex, familial status, and disability:
 - ☐ Undertake affirmative measures to ensure accessible housing to persons with all varieties of disabilities regardless of unit size required:
 - ☐ Other: (list below)

Other PHA Goals and Objectives: (list below)

- 1. Coordinated workshops for the development of micro-management, educational workshops and occupational training to help achieve self sufficiency.**
- 2. Provide financial counseling to help in the acquisition of a proper home, using external resources such as non profit institutions banks, Section 203K, HUD Program and other institution that provide such services.**
- 3. Facilitate the resident's access to the different economic opportunities available.**
- 4. Coordinated financial aids with educational institution with the purpose to improve the quality of life of participant and achieve their economic independent.**
- 5. Promote an auto-effort in residents to search for a job and keep it.**

These goals are established in the action plan of the Initiative Residents Units of the Municipality of Caguas. We hope to promote two Job and Educational Exposition according to each participant's needs.

PHA Fiscal Year 2001

[24 CFR Part 903.7]

i. Annual Plan Type:

Select which type of Annual Plan the PHA will submit.

☐ **Standard Plan**

Streamlined Plan:

- ☐ **High Performing PHA**
- ☐ **Small Agency (<250 Public Housing Units)**
- ☒ **Administering Section 8 Only**

☐ **Troubled Agency Plan**

ii. Executive Summary of the Annual PHA Plan

[24 CFR Part 903.7 9 (r)]

Provide a brief overview of the information in the Annual Plan, including highlights of major initiatives and discretionary policies the PHA has included in the Annual Plan.

iii. Annual Plan Table of Contents

[24 CFR Part 903.7 9 (r)]

Provide a table of contents for the Annual Plan, including attachments, and a list of supporting documents available for public inspection.

Table of Contents

Annual Plan

i. Executive Summary	
ii. Table of Contents	
1. Housing Needs	12
2. Financial Resources	18
3. Policies on Eligibility, Selection and Admissions	25
4. Rent Determination Policies	33
5. Operations and Management Policies	34
6. Grievance Procedures	36
7. Capital Improvement Needs	37
8. Demolition and Disposition	39
9. Designation of Housing	40
10. Conversions of Public Housing	41
11. Homeownership	43
12. Community Service Programs	45
13. Crime and Safety	48
14. Pets (Inactive for January 1 PHAs)	50
15. Civil Rights Certifications (included with PHA Plan Certifications)	50
16. Audit	50
17. Asset Management	50
18. Other Information	51

Attachments

Indicate which attachments are provided by selecting all that apply. Provide the attachment's name (A, B, etc.) in the space to the left of the name of the attachment. Note: If the attachment is provided as a **SEPARATE** file submission from the PHA Plans file, provide the file name in parentheses in the space to the right of the title.

Required Attachments:

- ☐ Admissions Policy for Deconcentration
- ☐ FY 2000 Capital Fund Program Annual Statement
- ☐ Most recent board-approved operating budget (Required Attachment for PHAs that are troubled or at risk of being designated troubled ONLY)

Optional Attachments:

- ☒ PHA Management Organizational Chart
- ☐ FY 2000 Capital Fund Program 5 Year Action Plan
- ☐ Public Housing Drug Elimination Program (PHDEP) Plan
- ☐ Comments of Resident Advisory Board or Boards (must be attached if not included in PHA Plan text)
- ☐ Other (List below, providing each attachment name)

Supporting Documents Available for Review

Indicate which documents are available for public review by placing a mark in the “Applicable & On Display” column in the appropriate rows. All listed documents must be on display if applicable to the program activities conducted by the PHA.

List of Supporting Documents Available for Review		
Applicable & On Display	Supporting Document	Applicable Plan Component
X	PHA Plan Certifications of Compliance with the PHA Plans and Related Regulations	5 Year and Annual Plans
X	State/Local Government Certification of Consistency with the Consolidated Plan	5 Year and Annual Plans
	Fair Housing Documentation: Records reflecting that the PHA has examined its programs or proposed programs, identified any impediments to fair housing choice in those programs, addressed or is addressing those impediments in a reasonable fashion in view of the resources available, and worked or is working with local jurisdictions to implement any of the jurisdictions’ initiatives to affirmatively further fair housing that require the PHA’s involvement.	5 Year and Annual Plans
X	Consolidated Plan for the jurisdiction/s in which the PHA is located (which includes the Analysis of Impediments to Fair Housing Choice (AI)) and any additional backup data to support statement of housing needs in the jurisdiction	Annual Plan: Housing Needs
	Most recent board-approved operating budget for the public housing program	Annual Plan: Financial Resources;
	Public Housing Admissions and (Continued) Occupancy Policy (A&O), which includes the Tenant Selection and Assignment Plan [TSAP]	Annual Plan: Eligibility, Selection, and Admissions Policies
X	Section 8 Administrative Plan	Annual Plan: Eligibility, Selection, and Admissions Policies
	Public Housing Deconcentration and Income Mixing Documentation: 1. PHA board certifications of compliance with deconcentration requirements (section 16(a) of the US Housing Act of 1937, as implemented in the 2/18/99 <i>Quality Housing and Work Responsibility Act Initial Guidance; Notice</i> and any further HUD guidance) and 2. Documentation of the required deconcentration and income mixing analysis	Annual Plan: Eligibility, Selection, and Admissions Policies
	Public housing rent determination policies, including the methodology for setting public housing flat rents <input type="checkbox"/> check here if included in the public housing A & O Policy	Annual Plan: Rent Determination
	Schedule of flat rents offered at each public housing development <input type="checkbox"/> check here if included in the public housing	Annual Plan: Rent Determination

List of Supporting Documents Available for Review		
Applicable & On Display	Supporting Document	Applicable Plan Component
	A & O Policy	
X	Section 8 rent determination (payment standard) policies <input checked="" type="checkbox"/> check here if included in Section 8 Administrative Plan	Annual Plan: Rent Determination
	Public housing management and maintenance policy documents, including policies for the prevention or eradication of pest infestation (including cockroach infestation)	Annual Plan: Operations and Maintenance
	Public housing grievance procedures <input type="checkbox"/> check here if included in the public housing A & O Policy	Annual Plan: Grievance Procedures
X	Section 8 informal review and hearing procedures <input checked="" type="checkbox"/> check here if included in Section 8 Administrative Plan	Annual Plan: Grievance Procedures
	The HUD-approved Capital Fund/Comprehensive Grant Program Annual Statement (HUD 52837) for the active grant year	Annual Plan: Capital Needs
	Most recent CIAP Budget/Progress Report (HUD 52825) for any active CIAP grant	Annual Plan: Capital Needs
	Most recent, approved 5 Year Action Plan for the Capital Fund/Comprehensive Grant Program, if not included as an attachment (provided at PHA option)	Annual Plan: Capital Needs
	Approved HOPE VI applications or, if more recent, approved or submitted HOPE VI Revitalization Plans or any other approved proposal for development of public housing	Annual Plan: Capital Needs
	Approved or submitted applications for demolition and/or disposition of public housing	Annual Plan: Demolition and Disposition
	Approved or submitted applications for designation of public housing (Designated Housing Plans)	Annual Plan: Designation of Public Housing
	Approved or submitted assessments of reasonable revitalization of public housing and approved or submitted conversion plans prepared pursuant to section 202 of the 1996 HUD Appropriations Act	Annual Plan: Conversion of Public Housing
	Approved or submitted public housing homeownership programs/plans	Annual Plan: Homeownership
	Policies governing any Section 8 Homeownership program <input type="checkbox"/> check here if included in the Section 8 Administrative Plan	Annual Plan: Homeownership
	Any cooperative agreement between the PHA and the TANF agency	Annual Plan: Community Service & Self-Sufficiency
	FSS Action Plan/s for public housing and/or Section 8	Annual Plan: Community Service & Self-Sufficiency
	Most recent self-sufficiency (ED/SS, TOP or ROSS or other resident services grant) grant program reports	Annual Plan: Community Service & Self-Sufficiency
	The most recent Public Housing Drug Elimination Program (PHDEP) semi-annual performance report for any open grant and most recently submitted PHDEP application (PHDEP Plan)	Annual Plan: Safety and Crime Prevention

List of Supporting Documents Available for Review		
Applicable & On Display	Supporting Document	Applicable Plan Component
X	The most recent fiscal year audit of the PHA conducted under section 5(h)(2) of the U.S. Housing Act of 1937 (42 U.S.C. 1437c(h)), the results of that audit and the PHA's response to any findings	Annual Plan: Annual Audit
	Troubled PHAs: MOA/Recovery Plan	Troubled PHAs
	Other supporting documents (optional) (list individually; use as many lines as necessary)	(specify as needed)

1. Statement of Housing Needs

[24 CFR Part 903.7 9 (a)]

A. Housing Needs of Families in the Jurisdiction/s Served by the PHA

Based upon the information contained in the Consolidated Plan/s applicable to the jurisdiction, and/or other data available to the PHA, provide a statement of the housing needs in the jurisdiction by completing the

following table. In the “Overall” Needs column, provide the estimated number of renter families that have housing needs. For the remaining characteristics, rate the impact of that factor on the housing needs for each family type, from 1 to 5, with 1 being “no impact” and 5 being “severe impact.” Use N/A to indicate that no information is available upon which the PHA can make this assessment.

Housing Needs of Families in the Jurisdiction by Family Type							
Family Type	Overall	Afford- ability	Supply	Quality	Access- ibility	Size	Loca- tion
Income <= 30% of AMI	3,935	5	5	3	5	3	3
Income >30% but <=50% of AMI	1,420	5	5	3	5	3	3
Income >50% but <80% of AMI	686	5	5	3	3	3	3
Elderly	783	5	5	3	3	5	3
Families with Disabilities	887	5	5	5	5	5	5
Race/Ethnicity	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Race/Ethnicity	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Race/Ethnicity	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Race/Ethnicity	N/A	N/A	N/A	N/A	N/A	N/A	N/A

What sources of information did the PHA use to conduct this analysis? (Check all that apply; all materials must be made available for public inspection.)

- ☒ Consolidated Plan of the Jurisdiction/s
Indicate year: 2000
- ☒ U.S. Census data: the Comprehensive Housing Affordability Strategy (“CHAS”) dataset
- ☐ American Housing Survey data
Indicate year:
- ☐ Other housing market study
Indicate year:
- ☐ Other sources: (list and indicate year of information)

B. Housing Needs of Families on the Public Housing and Section 8 Tenant- Based Assistance Waiting Lists

State the housing needs of the families on the PHA’s waiting list/s. **Complete one table for each type of PHA-wide waiting list administered by the PHA.** PHAs may provide separate tables for site-based or sub-jurisdictional public housing waiting lists at their option.

Housing Needs of Families on the Waiting List			
Waiting list type: (select one)			
<input checked="" type="checkbox"/>	Section 8 tenant-based assistance		
<input type="checkbox"/>	Public Housing		
<input type="checkbox"/>	Combined Section 8 and Public Housing		
<input type="checkbox"/>	Public Housing Site-Based or sub-jurisdictional waiting list (optional)		
If used, identify which development/subjurisdiction:			
	# of families	% of total families	Annual Turnover
Waiting list total	1372		12
Extremely low income <=30% AMI	969	70%	
Very low income (>30% but <=50% AMI)	236	17%	
Low income (>50% but <80% AMI)	167	12%	
Families with children	1,309	95%	
Elderly families	48	3%	
Families with Disabilities	15	1%	
Race/ethnicity	N/A	N/A	
Race/ethnicity	N/A	N/A	
Race/ethnicity	N/A	N/A	
Race/ethnicity	N/A	N/A	
Characteristics by Bedroom Size (Public Housing Only)			
1BR			
2 BR			
3 BR			
4 BR			
5 BR			
5+ BR			

Housing Needs of Families on the Waiting List
<p>Is the waiting list closed (select one)? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes</p> <p>If yes:</p> <p>How long has it been closed (# of months)? 48 Months</p> <p>Does the PHA expect to reopen the list in the PHA Plan year? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes</p> <p>Does the PHA permit specific categories of families onto the waiting list, even if generally closed? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes</p>

C. Strategy for Addressing Needs

Provide a brief description of the PHA's strategy for addressing the housing needs of families in the jurisdiction and on the waiting list **IN THE UPCOMING YEAR**, and the Agency's reasons for choosing this strategy.

The PHA's strategies for addressing the housing needs of families in the jurisdiction are the following:

1. Find additional funds to place families with special needs in adequate housing.
 2. Constant monitoring of housing applications with the sole purpose to disregard such cases with lack of interest. Thus, giving opportunity to families in actual housing need to apply.
- The reasons of the Municipality of Caguas to establish these strategies are to maximize the overflow of the waiting list.

(1) Strategies

Need: Shortage of affordable housing for all eligible populations

Strategy 1. Maximize the number of affordable units available to the PHA within its current resources by:

Select all that apply

- ☐ Employ effective maintenance and management policies to minimize the number of public housing units off-line
- ☐ Reduce turnover time for vacated public housing units
- ☐ Reduce time to renovate public housing units
- ☐ Seek replacement of public housing units lost to the inventory through mixed finance development
- ☐ Seek replacement of public housing units lost to the inventory through section 8 replacement housing resources
- ☐ Maintain or increase section 8 lease-up rates by establishing payment standards that will enable families to rent throughout the jurisdiction
- ☒ Undertake measures to ensure access to affordable housing among families assisted by the PHA, regardless of unit size required
- ☒ Maintain or increase section 8 lease-up rates by marketing the program to owners, particularly those outside of areas of minority and poverty concentration
- ☒ Maintain or increase section 8 lease-up rates by effectively screening Section 8 applicants to increase owner acceptance of program
- ☒ Participate in the Consolidated Plan development process to ensure coordination with broader community strategies
- ☐ Other (list below)

Strategy 2: Increase the number of affordable housing units by:

Select all that apply

- ☒ Apply for additional section 8 units should they become available
- ☐ Leverage affordable housing resources in the community through the creation of mixed - finance housing
- ☒ Pursue housing resources other than public housing or Section 8 tenant-based assistance.
- ☐ Other: (list below)

Need: Specific Family Types: Families at or below 30% of median

Strategy 1: Target available assistance to families at or below 30 % of AMI

Select all that apply

- ☐ Exceed HUD federal targeting requirements for families at or below 30% of AMI in public housing
- ☐ Exceed HUD federal targeting requirements for families at or below 30% of AMI in tenant-based section 8 assistance
- ☐ Employ admissions preferences aimed at families with economic hardships
- ☒ Adopt rent policies to support and encourage work

☐ Other: (list below)

Need: Specific Family Types: Families at or below 50% of median

Strategy 1: Target available assistance to families at or below 50% of AMI

Select all that apply

- ☐ Employ admissions preferences aimed at families who are working
- ☒ Adopt rent policies to support and encourage work
- ☐ Other: (list below)

Need: Specific Family Types: The Elderly

Strategy 1: Target available assistance to the elderly:

Select all that apply

- ☐ Seek designation of public housing for the elderly
- ☒ Apply for special-purpose vouchers targeted to the elderly, should they become available
- ☐ Other: (list below)

Need: Specific Family Types: Families with Disabilities

Strategy 1: Target available assistance to Families with Disabilities:

Select all that apply

- ☐ Seek designation of public housing for families with disabilities
- ☐ Carry out the modifications needed in public housing based on the section 504 Needs Assessment for Public Housing
- ☒ Apply for special-purpose vouchers targeted to families with disabilities, should they become available
- ☒ Affirmatively market to local non-profit agencies that assist families with disabilities
- ☐ Other: (list below)

Need: Specific Family Types: Races or ethnicities with disproportionate housing needs

Strategy 1: Increase awareness of PHA resources among families of races and ethnicities with disproportionate needs:

Select if applicable

- ☐ Affirmatively market to races/ethnicities shown to have disproportionate housing needs
- ☐ Other: (list below)

Strategy 2: Conduct activities to affirmatively further fair housing

Select all that apply

- ☒ Counsel section 8 tenants as to location of units outside of areas of poverty or minority concentration and assist them to locate those units
- ☒ Market the section 8 program to owners outside of areas of poverty /minority concentrations
- ☐ Other: (list below)

Other Housing Needs & Strategies: (list needs and strategies below)

(2) Reasons for Selecting Strategies

Of the factors listed below, select all that influenced the PHA's selection of the strategies it will pursue:

- ☐ Funding constraints
- ☐ Staffing constraints
- ☐ Limited availability of sites for assisted housing
- ☐ Extent to which particular housing needs are met by other organizations in the community
- ☒ Evidence of housing needs as demonstrated in the Consolidated Plan and other information available to the PHA
- ☒ Influence of the housing market on PHA programs
- ☐ Community priorities regarding housing assistance
- ☒ Results of consultation with local or state government
- ☒ Results of consultation with residents and the Resident Advisory Board
- ☐ Results of consultation with advocacy groups
- ☐ Other: (list below)

2. Statement of Financial Resources

[24 CFR Part 903.7 9 (b)]

List the financial resources that are anticipated to be available to the PHA for the support of Federal public housing and tenant -based Section 8 assistance programs administered by the PHA during the Plan year.

Note: the table assumes that Federal public housing or tenant based Section 8 assistance grant funds are expended on eligible purposes; therefore, uses of these funds need not be stated. For other funds, indicate the use for those funds as one of the following categories: public housing operations, public housing capital improvements, public housing safety/security, public housing supportive services, Section 8 tenant-based assistance, Section 8 supportive services or other.

Financial Resources: Planned Sources and Uses		
Sources	Planned \$	Planned Uses
1. Federal Grants (FY 2001 grants)	6,043,653.	6,043,653
a) Public Housing Operating Fund	N/A	
b) Public Housing Capital Fund	N/A	
c) HOPE VI Revitalization	N/A	
d) HOPE VI Demolition	N/A	
e) Annual Contributions for Section 8 Tenant-Based Assistance	5,393,653	
f) Public Housing Drug Elimination Program (including any Technical Assistance funds)	N/A	
g) Resident Opportunity and Self-Sufficiency Grants	N/A	
h) Community Development Block Grant	500,000	500,000
i) HOME	150,000	150,000
Other Federal Grants (list below)	N/A	
2. Prior Year Federal Grants (unobligated funds only) (list below)		
3. Public Housing Dwelling Rental Income	N/A	

Financial Resources: Planned Sources and Uses		
Sources	Planned \$	Planned Uses
4. Other income (list below)	N/A	
4. Non-federal sources (list below)	N/A	N/A
Total resources	6,043,653.	6,043,653

3. PHA Policies Governing Eligibility, Selection, and Admissions

[24 CFR Part 903.7 9 (c)]

A. Public Housing

Exemptions: PHAs that do not administer public housing are not required to complete subcomponent 3A.

(1) Eligibility

a. When does the PHA verify eligibility for admission to public housing? (select all that apply)

- ☐ When families are within a certain number of being offered a unit: (state number)
- ☐ When families are within a certain time of being offered a unit: (state time)
- ☐ Other: (describe)

b. Which non-income (screening) factors does the PHA use to establish eligibility for admission to public housing (select all that apply)?

- ☐ Criminal or Drug-related activity
- ☐ Rental history
- ☐ Housekeeping
- ☐ Other (describe)

c. ☐ Yes ☐ No: Does the PHA request criminal records from local law enforcement agencies for screening purposes?

d. ☐ Yes ☐ No: Does the PHA request criminal records from State law enforcement agencies for screening purposes?

- e. ☐ Yes ☐ No: Does the PHA access FBI criminal records from the FBI for screening purposes? (either directly or through an NCIC-authorized source)

(2)Waiting List Organization

- a. Which methods does the PHA plan to use to organize its public housing waiting list (select all that apply)

- ☐ Community-wide list
☐ Sub-jurisdictional lists
☐ Site-based waiting lists
☐ Other (describe)

- b. Where may interested persons apply for admission to public housing?

- ☐ PHA main administrative office
☐ PHA development site management office
☐ Other (list below)

- c. If the PHA plans to operate one or more site-based waiting lists in the coming year, answer each of the following questions; if not, skip to subsection **(3) Assignment**

1. How many site-based waiting lists will the PHA operate in the coming year?

2. ☐ Yes ☐ No: Are any or all of the PHA's site-based waiting lists new for the upcoming year (that is, they are not part of a previously-HUD-approved site based waiting list plan)?
If yes, how many lists?

3. ☐ Yes ☐ No: May families be on more than one list simultaneously
If yes, how many lists?

4. Where can interested persons obtain more information about and sign up to be on the site-based waiting lists (select all that apply)?

- ☐ PHA main administrative office
☐ All PHA development management offices
☐ Management offices at developments with site-based waiting lists
☐ At the development to which they would like to apply
☐ Other (list below)

(3) Assignment

a. How many vacant unit choices are applicants ordinarily given before they fall to the bottom of or are removed from the waiting list? (select one)

- ☐ One
☐ Two
☐ Three or More

b. ☐ Yes ☐ No: Is this policy consistent across all waiting list types?

c. If answer to b is no, list variations for any other than the primary public housing waiting list/s for the PHA:

(4) Admissions Preferences

a. Income targeting:

☐ Yes ☐ No: Does the PHA plan to exceed the federal targeting requirements by targeting more than 40% of all new admissions to public housing to families at or below 30% of median area income?

b. Transfer policies:

In what circumstances will transfers take precedence over new admissions? (list below)

- ☐ Emergencies
☐ Overhoused
☐ Underhoused
☐ Medical justification
☐ Administrative reasons determined by the PHA (e.g., to permit modernization work)
☐ Resident choice: (state circumstances below)
☐ Other: (list below)

c. Preferences

1. ☐ Yes ☐ No: Has the PHA established preferences for admission to public housing (other than date and time of application)? (If “no” is selected, skip to subsection **(5) Occupancy**)

2. Which of the following admission preferences does the PHA plan to employ in the coming year? (select all that apply from either former Federal preferences or other preferences)

Former Federal preferences:

- ☐ Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
☐ Victims of domestic violence

- ☐ Substandard housing
- ☐ Homelessness
- ☐ High rent burden (rent is > 50 percent of income)

Other preferences: (select below)

- ☐ Working families and those unable to work because of age or disability
- ☐ Veterans and veterans' families
- ☐ Residents who live and/or work in the jurisdiction
- ☐ Those enrolled currently in educational, training, or upward mobility programs
- ☐ Households that contribute to meeting income goals (broad range of incomes)
- ☐ Households that contribute to meeting income requirements (targeting)
- ☐ Those previously enrolled in educational, training, or upward mobility programs
- ☐ Victims of reprisals or hate crimes
- ☐ Other preference(s) (list below)

3. If the PHA will employ admissions preferences, please prioritize by placing a "1" in the space that represents your first priority, a "2" in the box representing your second priority, and so on. If you give equal weight to one or more of these choices (either through an absolute hierarchy or through a point system), place the same number next to each. That means you can use "1" more than once, "2" more than once, etc.

Date and Time

Former Federal preferences:

Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
 Victims of domestic violence
 Substandard housing
 Homelessness
 High rent burden

Other preferences (select all that apply)

- ☐ Working families and those unable to work because of age or disability
- ☐ Veterans and veterans' families
- ☐ Residents who live and/or work in the jurisdiction
- ☐ Those enrolled currently in educational, training, or upward mobility programs
- ☐ Households that contribute to meeting income goals (broad range of incomes)
- ☐ Households that contribute to meeting income requirements (targeting)

- ☐ Those previously enrolled in educational, training, or upward mobility programs
- ☐ Victims of reprisals or hate crimes
- ☐ Other preference(s) (list below)

4. Relationship of preferences to income targeting requirements:

- ☐ The PHA applies preferences within income tiers
- ☐ Not applicable: the pool of applicant families ensures that the PHA will meet income targeting requirements

(5) Occupancy

a. What reference materials can applicants and residents use to obtain information about the rules of occupancy of public housing (select all that apply)

- ☐ The PHA-resident lease
- ☐ The PHA's Admissions and (Continued) Occupancy policy
- ☐ PHA briefing seminars or written materials
- ☐ Other source (list)

b. How often must residents notify the PHA of changes in family composition? (select all that apply)

- ☐ At an annual reexamination and lease renewal
- ☐ Any time family composition changes
- ☐ At family request for revision
- ☐ Other (list)

(6) Deconcentration and Income Mixing

a. ☐ Yes ☐ No: Did the PHA's analysis of its family (general occupancy) developments to determine concentrations of poverty indicate the need for measures to promote deconcentration of poverty or income mixing?

b. ☐ Yes ☐ No: Did the PHA adopt any changes to its **admissions policies** based on the results of the required analysis of the need to promote deconcentration of poverty or to assure income mixing?

c. If the answer to b was yes, what changes were adopted? (select all that apply)

☐

Adoption of site based waiting lists

If selected, list targeted developments below:

☐

Employing waiting list “skipping” to achieve deconcentration of poverty or income mixing goals at targeted developments

If selected, list targeted developments below:

☐

Employing new admission preferences at targeted developments

If selected, list targeted developments below:

☐

Other (list policies and developments targeted below)

d. ☐ Yes ☐ No: Did the PHA adopt any changes to **other** policies based on the results of the required analysis of the need for deconcentration of poverty and income mixing?

e. If the answer to d was yes, how would you describe these changes? (select all that apply)

☐

Additional affirmative marketing

☐

Actions to improve the marketability of certain developments

☐

Adoption or adjustment of ceiling rents for certain developments

☐

Adoption of rent incentives to encourage deconcentration of poverty and income-mixing

☐

Other (list below)

f. Based on the results of the required analysis, in which developments will the PHA make special efforts to attract or retain higher-income families? (select all that apply)

☐

Not applicable: results of analysis did not indicate a need for such efforts

☐

List (any applicable) developments below:

g. Based on the results of the required analysis, in which developments will the PHA make special efforts to assure access for lower-income families? (select all that apply)

☐

Not applicable: results of analysis did not indicate a need for such efforts

☐

List (any applicable) developments below:

B. Section 8

Exemptions: PHAs that do not administer section 8 are not required to complete sub-component 3B.

Unless otherwise specified, all questions in this section apply only to the tenant-based section 8 assistance program (vouchers, and until completely merged into the voucher program, certificates).

(1) Eligibility

- a. What is the extent of screening conducted by the PHA? (select all that apply)
- ☒ Criminal or drug-related activity only to the extent required by law or regulation
 - ☐ Criminal and drug-related activity, more extensively than required by law or regulation
 - ☐ More general screening than criminal and drug-related activity (list factors below)
 - ☐ Other (list below)
- b. ☒ Yes ☐ No: Does the PHA request criminal records from local law enforcement agencies for screening purposes?
- c. ☒ Yes ☐ No: Does the PHA request criminal records from State law enforcement agencies for screening purposes?
- d. ☐ Yes ☒ No: Does the PHA access FBI criminal records from the FBI for screening purposes? (either directly or through an NCIC-authorized source)
- e. Indicate what kinds of information you share with prospective landlords? (select all that apply)
- ☒ Criminal or drug-related activity
 - ☒ Other (describe below) Persons prior address information.

(2) Waiting List Organization

- a. With which of the following program waiting lists is the section 8 tenant-based assistance waiting list merged? (select all that apply)
- ☒ None
 - ☐ Federal public housing
 - ☐ Federal moderate rehabilitation
 - ☐ Federal project-based certificate program
 - ☐ Other federal or local program (list below)

b. Where may interested persons apply for admission to section 8 tenant-based assistance? (select all that apply)

- ☒ PHA main administrative office
☐ Other (list below)

(3) Search Time

a. ☒ Yes ☐ No: Does the PHA give extensions on standard 60-day period to search for a unit?

If yes, state circumstances below:

Only when the families proof that the rental housing process is presented and shows the low market offers that exist for the program affordable housing.

(4) Admissions Preferences

a. Income targeting

☒ Yes ☐ No: Does the PHA plan to exceed the federal targeting requirements by targeting more than 75% of all new admissions to the section 8 program to families at or below 30% of median area income?

b. Preferences

1. ☒ Yes ☐ No: Has the PHA established preferences for admission to section 8 tenant-based assistance? (other than date and time of application) (if no, skip to subcomponent **(5) Special purpose section 8 assistance programs**)

2. Which of the following admission preferences does the PHA plan to employ in the coming year? (select all that apply from either former Federal preferences or other preferences)

Former Federal preferences

- ☒ Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
☒ Victims of domestic violence
☒ Substandard housing
☒ Homelessness
☐ High rent burden (rent is > 50 percent of income)

Other preferences (select all that apply)

- ☒ Working families and those unable to work because of age or disability
- ☐ Veterans and veterans' families
- ☐ Residents who live and/or work in your jurisdiction
- ☐ Those enrolled currently in educational, training, or upward mobility programs
- ☐ Households that contribute to meeting income goals (broad range of incomes)
- ☐ Households that contribute to meeting income requirements (targeting)
- ☐ Those previously enrolled in educational, training, or upward mobility programs
- ☒ Victims of reprisals or hate crimes
- ☐ Other preference(s) (list below)

3. If the PHA will employ admissions preferences, please prioritize by placing a "1" in the space that represents your first priority, a "2" in the box representing your second priority, and so on. If you give equal weight to one or more of these choices (either through an absolute hierarchy or through a point system), place the same number next to each. That means you can use "1" more than once, "2" more than once, etc.

1 Date and Time

Former Federal preferences

- 1 Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
- 1 Victims of domestic violence
- 2 Substandard housing
- 1 Homelessness
- High rent burden

Other preferences (select all that apply)

- 1. ☐ Working families and those unable to work because of age or disability
- ☐ Veterans and veterans' families
- ☐ Residents who live and/or work in your jurisdiction
- ☐ Those enrolled currently in educational, training, or upward mobility programs
- ☐ Households that contribute to meeting income goals (broad range of incomes)
- ☐ Households that contribute to meeting income requirements (targeting)
- ☐ Those previously enrolled in educational, training, or upward mobility programs
- 1 ☐ Victims of reprisals or hate crimes
- ☐ Other preference(s) (list below)

4. Among applicants on the waiting list with equal preference status, how are applicants selected? (select one)

- ☒ Date and time of application
- ☐ Drawing (lottery) or other random choice technique

5. If the PHA plans to employ preferences for “residents who live and/or work in the jurisdiction” (select one)

- ☐ This preference has previously been reviewed and approved by HUD
☐ The PHA requests approval for this preference through this PHA Plan

6. Relationship of preferences to income targeting requirements: (select one)

- ☐ The PHA applies preferences within income tiers
☒ Not applicable: the pool of applicant families ensures that the PHA will meet income targeting requirements

(5) Special Purpose Section 8 Assistance Programs

a. In which documents or other reference materials are the policies governing eligibility, selection, and admissions to any special-purpose section 8 program administered by the PHA contained? (select all that apply)

- ☒ The Section 8 Administrative Plan
☒ Briefing sessions and written materials
☐ Other (list below)

b. How does the PHA announce the availability of any special-purpose section 8 programs to the public?

- ☒ Through published notices
☐ Other (list below)

4. PHA Rent Determination Policies

[24 CFR Part 903.7 9 (d)]

A. Public Housing

Exemptions: PHAs that do not administer public housing are not required to complete sub-component 4A.

(1) Income Based Rent Policies

Describe the PHA's income based rent setting policy/ies for public housing using, including discretionary (that is, not required by statute or regulation) income disregards and exclusions, in the appropriate spaces below.

a. Use of discretionary policies: (select one)

- ☐ The PHA will not employ any discretionary rent-setting policies for income based rent in public housing. Income-based rents are set at the higher of 30% of adjusted monthly income, 10% of unadjusted monthly income, the welfare rent, or minimum rent (less HUD mandatory deductions and exclusions). (If selected, skip to sub-component (2))

---or---

- ☐ The PHA employs discretionary policies for determining income based rent (If selected, continue to question b.)

b. Minimum Rent

1. What amount best reflects the PHA's minimum rent? (select one)

- ☐ \$0
☐ \$1-\$25
☐ \$26-\$50

2. ☐ Yes ☐ No: Has the PHA adopted any discretionary minimum rent hardship exemption policies?

3. If yes to question 2, list these policies below:

c. Rents set at less than 30% than adjusted income

1. ☐ Yes ☐ No: Does the PHA plan to charge rents at a fixed amount or percentage less than 30% of adjusted income?
2. If yes to above, list the amounts or percentages charged and the circumstances under which these will be used below:

d. Which of the discretionary (optional) deductions and/or exclusions policies does the PHA plan to employ (select all that apply)

- ☐ For the earned income of a previously unemployed household member

- ☐ For increases in earned income
- ☐ Fixed amount (other than general rent-setting policy)
If yes, state amount/s and circumstances below:
- ☐ Fixed percentage (other than general rent-setting policy)
If yes, state percentage/s and circumstances below:
- ☐ For household heads
- ☐ For other family members
- ☐ For transportation expenses
- ☐ For the non-reimbursed medical expenses of non-disabled or non-elderly families
- ☐ Other (describe below)

e. Ceiling rents

1. Do you have ceiling rents? (rents set at a level lower than 30% of adjusted income)
(select one)

- ☐ Yes for all developments
- ☐ Yes but only for some developments
- ☐ No

2. For which kinds of developments are ceiling rents in place? (select all that apply)

- ☐ For all developments
- ☐ For all general occupancy developments (not elderly or disabled or elderly only)
- ☐ For specified general occupancy developments
- ☐ For certain parts of developments; e.g., the high-rise portion
- ☐ For certain size units; e.g., larger bedroom sizes
- ☐ Other (list below)

3. Select the space or spaces that best describe how you arrive at ceiling rents (select all that apply)

- ☐ Market comparability study
- ☐ Fair market rents (FMR)
- ☐ 95th percentile rents
- ☐ 75 percent of operating costs
- ☐ 100 percent of operating costs for general occupancy (family) developments

- ☐ Operating costs plus debt service
- ☐ The “rental value” of the unit
- ☐ Other (list below)

f. Rent re-determinations:

1. Between income reexaminations, how often must tenants report changes in income or family composition to the PHA such that the changes result in an adjustment to rent? (select all that apply)

- ☐ Never
- ☐ At family option
- ☐ Any time the family experiences an income increase
- ☐ Any time a family experiences an income increase above a threshold amount or percentage: (if selected, specify threshold)_____
- ☐ Other (list below)

- g. ☐ Yes ☐ No: Does the PHA plan to implement individual savings accounts for residents (ISAs) as an alternative to the required 12 month disallowance of earned income and phasing in of rent increases in the next year?

(2) Flat Rents

1. In setting the market-based flat rents, what sources of information did the PHA use to establish comparability? (select all that apply.)

- ☐ The section 8 rent reasonableness study of comparable housing
- ☐ Survey of rents listed in local newspaper
- ☐ Survey of similar unassisted units in the neighborhood
- ☐ Other (list/describe below)

B. Section 8 Tenant-Based Assistance

Exemptions: PHAs that do not administer Section 8 tenant-based assistance are not required to complete sub-component 4B. **Unless otherwise specified, all questions in this section apply only to the tenant-based section 8 assistance program (vouchers, and until completely merged into the voucher program, certificates).**

1) Payment Standards

Describe the voucher payment standards and policies.

a. What is the PHA's payment standard? (select the category that best describes your standard)

☐ At or above 90% but below 100% of FMR

- ☐ 100% of FMR
- ☒ Above 100% but at or below 110% of FMR
- ☐ Above 110% of FMR (if HUD approved; describe circumstances below)

b. If the payment standard is lower than FMR, why has the PHA selected this standard?
(select all that apply)

- ☒ FMRs are adequate to ensure success among assisted families in the PHA's segment of the FMR area
- ☐ The PHA has chosen to serve additional families by lowering the payment standard
- ☒ Reflects market or submarket
- ☐ Other (list below)

c. If the payment standard is higher than FMR, why has the PHA chosen this level?
(select all that apply)

- ☒ FMRs are not adequate to ensure success among assisted families in the PHA's segment of the FMR area
- ☒ Reflects market or submarket
- ☒ To increase housing options for families
- ☐ Other (list below)

d. How often are payment standards reevaluated for adequacy? (select one)

- ☒ Annually
- ☐ Other (list below)

e. What factors will the PHA consider in its assessment of the adequacy of its payment standard? (select all that apply)

- ☐ Success rates of assisted families
- ☒ Rent burdens of assisted families
- ☐ Other (list below)

(2) Minimum Rent

a. What amount best reflects the PHA's minimum rent? (select one)

- ☐ \$0
- ☒ \$1-\$25
- ☐ \$26-\$50

- b. ☐ Yes ☒ No: Has the PHA adopted any discretionary minimum rent hardship exemption policies? (if yes, list below)

5. Operations and Management

[24 CFR Part 903.7 9 (e)]

Exemptions from Component 5: High performing and small PHAs are not required to complete this section. Section 8 only PHAs must complete parts A, B, and C(2)

A. PHA Management Structure

Describe the PHA's management structure and organization.

(select one)

- ☒ An organization chart showing the PHA's management structure and organization is attached.
- ☐ A brief description of the management structure and organization of the PHA follows:

B. HUD Programs Under PHA Management

List Federal programs administered by the PHA, number of families served at the beginning of the upcoming fiscal year, and expected turnover in each. (Use "NA" to indicate that the PHA does not operate any of the programs listed below.)

Program Name	Units or Families Served at Year Beginning	Expected Turnover
Public Housing	N/A	N/A
Section 8 Vouchers	1,031	10
Section 8 Certificates	221	2
Section 8 Mod Rehab	0	0
Special Purpose Section 8 Certificates/Vouchers (list individually)	N/A	N/A
Public Housing Drug	N/A	N/A

Elimination Program (PHDEP)		
Other Federal Programs(list individually)	N/A	N/A

C. Management and Maintenance Policies

List the PHA's public housing management and maintenance policy documents, manuals and handbooks that contain the Agency's rules, standards, and policies that govern maintenance and management of public housing, including a description of any measures necessary for the prevention or eradication of pest infestation (which includes cockroach infestation) and the policies governing Section 8 management.

(1) Public Housing Maintenance and Management: (list below)

(2) Section 8 Management: (list below)

24 CFR Parts 888, 982 Section 8 Tenant Based Assistance

Statutory Merger of Section 8 Certificates and Voucher Programs

Housing Choice Voucher Program Final Rule

Handbook 7420.7 Chapter 5 Housing Quality Standard

SEMAP

Section 8 Administrative Plan

Analysis of Impediments

24 CFR Part 35 The HUD Regulation on Controlling Lead- Based Paint Hazards in Housing Receiving Federally Owned Housing Being Sold

Fair Housing Policies of the Municipality of Caguas

1. PHA Grievance Procedures

[24 CFR Part 903.7 9 (f)]

Exemptions from component 6: High performing PHAs are not required to complete component 6. Section 8-Only PHAs are exempt from sub-component 6A.

A. Public Housing

1. ☐ Yes ☐ No: Has the PHA established any written grievance procedures in addition to federal requirements found at 24 CFR Part 966, Subpart B, for residents of public housing?

If yes, list additions to federal requirements below:

2. Which PHA office should residents or applicants to public housing contact to initiate the PHA grievance process? (select all that apply)
- ☐ PHA main administrative office
 - ☐ PHA development management offices
 - ☐ Other (list below)

B. Section 8 Tenant-Based Assistance

1. ☐ Yes ☒ No: Has the PHA established informal review procedures for applicants to the Section 8 tenant-based assistance program and informal hearing procedures for families assisted by the Section 8 tenant-based assistance program in addition to federal requirements found at 24 CFR 982?

If yes, list additions to federal requirements below:

2. Which PHA office should applicants or assisted families contact to initiate the informal review and informal hearing processes? (select all that apply)
- ☒ PHA main administrative office
 - ☐ Other (list below)

7. Capital Improvement Needs

[24 CFR Part 903.7 9 (g)]

Exemptions from Component 7: Section 8 only PHAs are not required to complete this component and may skip to Component 8.

A. Capital Fund Activities

Exemptions from sub-component 7A: PHAs that will not participate in the Capital Fund Program may skip to component 7B. All other PHAs must complete 7A as instructed.

(1) Capital Fund Program Annual Statement

Using parts I, II, and III of the Annual Statement for the Capital Fund Program (CFP), identify capital activities the PHA is proposing for the upcoming year to ensure long-term physical and social viability of its public housing developments. This statement can be completed by using the CFP Annual Statement tables provided in the table library at the end of the PHA Plan template **OR**, at the PHA's option, by completing and attaching a properly updated HUD-52837.

Select one:

☐ The Capital Fund Program Annual Statement is provided as an attachment to the PHA Plan at Attachment (state name)

-or-

☐ The Capital Fund Program Annual Statement is provided below: (if selected, copy the CFP Annual Statement from the Table Library and insert here)

(2) Optional 5-Year Action Plan

Agencies are encouraged to include a 5-Year Action Plan covering capital work items. This statement can be completed by using the 5 Year Action Plan table provided in the table library at the end of the PHA Plan template **OR** by completing and attaching a properly updated HUD-52834.

a. ☐ Yes ☐ No: Is the PHA providing an optional 5-Year Action Plan for the Capital Fund? (if no, skip to sub-component 7B)

b. If yes to question a, select one:

☐ The Capital Fund Program 5-Year Action Plan is provided as an attachment to the PHA Plan at Attachment (state name)

-or-

☐ The Capital Fund Program 5-Year Action Plan is provided below: (if selected, copy the CFP optional 5 Year Action Plan from the Table Library and insert here)

B. HOPE VI and Public Housing Development and Replacement Activities (Non-Capital Fund)

Applicability of sub-component 7B: All PHAs administering public housing. Identify any approved HOPE VI and/or public housing development or replacement activities not described in the Capital Fund Program Annual Statement.

- ☐ Yes ☐ No: a) Has the PHA received a HOPE VI revitalization grant? (if no, skip to question c; if yes, provide responses to question b for each grant, copying and completing as many times as necessary)
- b) Status of HOPE VI revitalization grant (complete one set of questions for each grant)

1. Development name:

2. Development (project) number:

3. Status of grant: (select the statement that best describes the current status)

- ☐ Revitalization Plan under development
- ☐ Revitalization Plan submitted, pending approval
- ☐ Revitalization Plan approved
- ☐ Activities pursuant to an approved Revitalization Plan underway

- ☐ Yes ☐ No: c) Does the PHA plan to apply for a HOPE VI Revitalization grant in the Plan year?
- If yes, list development name/s below:

- ☐ Yes ☐ No: d) Will the PHA be engaging in any mixed-finance development activities for public housing in the Plan year?
- If yes, list developments or activities below:

- ☐ Yes ☐ No: e) Will the PHA be conducting any other public housing development or replacement activities not discussed in the Capital Fund Program Annual Statement?
- If yes, list developments or activities below:

8. Demolition and Disposition

[24 CFR Part 903.7 9 (h)]

Applicability of component 8: Section 8 only PHAs are not required to complete this section.

1. ☐ Yes ☐ No: Does the PHA plan to conduct any demolition or disposition activities (pursuant to section 18 of the U.S. Housing Act of 1937 (42 U.S.C. 1437p)) in the plan Fiscal Year? (If “No”, skip to component 9; if “yes”, complete one activity description for each development.)

2. Activity Description

- ☐ Yes ☐ No: Has the PHA provided the activities description information in the **optional** Public Housing Asset Management Table? (If “yes”, skip to component 9. If “No”, complete the Activity Description table below.)

Demolition/Disposition Activity Description
1a. Development name:
1b. Development (project) number:
2. Activity type: Demolition <input type="checkbox"/> Disposition <input type="checkbox"/>
3. Application status (select one) Approved <input type="checkbox"/> Submitted, pending approval <input type="checkbox"/> Planned application <input type="checkbox"/>
4. Date application approved, submitted, or planned for submission: <u>(DD/MM/YY)</u>
5. Number of units affected:
6. Coverage of action (select one) <input type="checkbox"/> Part of the development <input type="checkbox"/> Total development
7. Timeline for activity: a. Actual or projected start date of activity: b. Projected end date of activity:

9. Designation of Public Housing for Occupancy by Elderly Families or Families with Disabilities or Elderly Families and Families with Disabilities

1. ☐ Yes ☐ No: Has the PHA designated or applied for approval to designate or does the PHA plan to apply to designate any public housing for occupancy only by the elderly families or only by families with disabilities, or by elderly families and families with disabilities or will apply for designation for occupancy by only elderly families or only families with disabilities, or by elderly families and families with disabilities as provided by section 7 of the U.S. Housing Act of 1937 (42 U.S.C. 1437e) in the upcoming fiscal year? (If “No”, skip to component 10. If “yes”, complete one activity description for each development, unless the PHA is eligible to complete a streamlined submission; PHAs completing streamlined submissions may skip to component 10.)

2. Activity Description

- ☐ Yes ☐ No: Has the PHA provided all required activity description information for this component in the **optional** Public Housing Asset Management Table? If “yes”, skip to component 10. If “No”, complete the Activity Description table below.

Designation of Public Housing Activity Description	
1a. Development name:	
1b. Development (project) number:	
2. Designation type:	
Occupancy by only the elderly <input type="checkbox"/>	
Occupancy by families with disabilities <input type="checkbox"/>	
Occupancy by only elderly families and families with disabilities <input type="checkbox"/>	

3. Application status (select one) Approved; included in the PHA's Designation Plan <input type="checkbox"/> Submitted, pending approval <input type="checkbox"/> Planned application <input type="checkbox"/>
4. Date this designation approved, submitted, or planned for submission: <u>(DD/MM/YY)</u>
5. If approved, will this designation constitute a (select one) <input type="checkbox"/> New Designation Plan <input type="checkbox"/> Revision of a previously-approved Designation Plan?
6. Number of units affected: 7. Coverage of action (select one) <input type="checkbox"/> Part of the development <input type="checkbox"/> Total development

10. Conversion of Public Housing to Tenant-Based Assistance

[24 CFR Part 903.7 9 (j)]

Exemptions from Component 10; Section 8 only PHAs are not required to complete this section.

A. Assessments of Reasonable Revitalization Pursuant to section 202 of the HUD FY 1996 HUD Appropriations Act

1. ☐ Yes ☐ No: Have any of the PHA's developments or portions of developments been identified by HUD or the PHA as covered under section 202 of the HUD FY 1996 HUD Appropriations Act? (If "No", skip to component 11; if "yes", complete one activity description for each identified development, unless eligible to complete a streamlined submission. PHAs completing streamlined submissions may skip to component 11.)

2. Activity Description

☐ Yes ☐ No: Has the PHA provided all required activity description information for this component in the **optional** Public Housing Asset Management Table? If "yes", skip to component 11. If "No", complete the Activity Description table below.

Conversion of Public Housing Activity Description
1a. Development name: 1b. Development (project) number:
2. What is the status of the required assessment? <input type="checkbox"/> Assessment underway <input type="checkbox"/> Assessment results submitted to HUD <input type="checkbox"/> Assessment results approved by HUD (if marked, proceed to next question)

<input type="checkbox"/> Other (explain below)
3. <input type="checkbox"/> Yes <input type="checkbox"/> No: Is a Conversion Plan required? (If yes, go to block 4; if no, go to block 5.)
4. Status of Conversion Plan (select the statement that best describes the current status) <div style="margin-left: 20px;"> <input type="checkbox"/> Conversion Plan in development <input type="checkbox"/> Conversion Plan submitted to HUD on: (DD/MM/YYYY) <input type="checkbox"/> Conversion Plan approved by HUD on: (DD/MM/YYYY) <input type="checkbox"/> Activities pursuant to HUD-approved Conversion Plan underway </div>
5. Description of how requirements of Section 202 are being satisfied by means other than conversion (select one) <div style="margin-left: 20px;"> <input type="checkbox"/> Units addressed in a pending or approved demolition application (date submitted or approved: _____) <input type="checkbox"/> Units addressed in a pending or approved HOPE VI demolition application (date submitted or approved: _____) <input type="checkbox"/> Units addressed in a pending or approved HOPE VI Revitalization Plan (date submitted or approved: _____) <input type="checkbox"/> Requirements no longer applicable: vacancy rates are less than 10 percent <input type="checkbox"/> Requirements no longer applicable: site now has less than 300 units <input type="checkbox"/> Other: (describe below) </div>

B. Reserved for Conversions pursuant to Section 22 of the U.S. Housing Act of 1937

C. Reserved for Conversions pursuant to Section 33 of the U.S. Housing Act of 1937

11. Homeownership Programs Administered by the PHA

[24 CFR Part 903.7 9 (k)]

A. Public Housing

Exemptions from Component 11A: Section 8 only PHAs are not required to complete 11A.

1. ☐ Yes ☐ No: Does the PHA administer any homeownership programs administered by the PHA under an approved section 5(h) homeownership program (42 U.S.C. 1437c(h)), or an approved HOPE I program (42 U.S.C. 1437aaa) or has the PHA applied or

plan to apply to administer any homeownership programs under section 5(h), the HOPE I program, or section 32 of the U.S. Housing Act of 1937 (42 U.S.C. 1437z-4). (If “No”, skip to component 11B; if “yes”, complete one activity description for each applicable program/plan, unless eligible to complete a streamlined submission due to **small PHA** or **high performing PHA** status. PHAs completing streamlined submissions may skip to component 11B.)

2. Activity Description

- ☐ Yes ☐ No: Has the PHA provided all required activity description information for this component in the **optional** Public Housing Asset Management Table? (If “yes”, skip to component 12. If “No”, complete the Activity Description table below.)

Public Housing Homeownership Activity Description (Complete one for each development affected)
1a. Development name: 1b. Development (project) number:
2. Federal Program authority: <input type="checkbox"/> HOPE I <input type="checkbox"/> 5(h) <input type="checkbox"/> Turnkey III <input type="checkbox"/> Section 32 of the USHA of 1937 (effective 10/1/99)
3. Application status: (select one) <input type="checkbox"/> Approved; included in the PHA’s Homeownership Plan/Program <input type="checkbox"/> Submitted, pending approval <input type="checkbox"/> Planned application
4. Date Homeownership Plan/Program approved, submitted, or planned for submission: (DD/MM/YYYY)
5. Number of units affected: 6. Coverage of action: (select one) <input type="checkbox"/> Part of the development <input type="checkbox"/> Total development

B. Section 8 Tenant Based Assistance

1. ☐ Yes ☒ No: Does the PHA plan to administer a Section 8 Homeownership program pursuant to Section 8(y) of the U.S.H.A. of 1937, as implemented by 24 CFR part 982 ? (If “No”, skip to component 12; if “yes”, describe each program using the table below (copy and complete questions for each program identified), unless the

PHA is eligible to complete a streamlined submission due to high performer status. **High performing PHAs** may skip to component 12.)

2. Program Description:

a. Size of Program

☐ Yes ☐ No: Will the PHA limit the number of families participating in the section 8 homeownership option?

If the answer to the question above was yes, which statement best describes the number of participants? (select one)

- ☐ 25 or fewer participants
☐ 26 - 50 participants
☐ 51 to 100 participants
☐ more than 100 participants

b. PHA-established eligibility criteria

☐ Yes ☐ No: Will the PHA's program have eligibility criteria for participation in its Section 8 Homeownership Option program in addition to HUD criteria?

If yes, list criteria below:

12. PHA Community Service and Self-sufficiency Programs

[24 CFR Part 903.7 9 (l)]

Exemptions from Component 12: High performing and small PHAs are not required to complete this component. Section 8-Only PHAs are not required to complete sub-component C.

A. PHA Coordination with the Welfare (TANF) Agency

1. Cooperative agreements:

☐ Yes ☒ No: Has the PHA entered into a cooperative agreement with the TANF Agency, to share information and/or target supportive services (as contemplated by section 12(d)(7) of the Housing Act of 1937)?

If yes, what was the date that agreement was signed? DD/MM/YY

2. Other coordination efforts between the PHA and TANF agency (select all that apply)

- ☒ Client referrals
- ☒ Information sharing regarding mutual clients (for rent determinations and otherwise)
- ☒ Coordinate the provision of specific social and self-sufficiency services and programs to eligible families
- ☐ Jointly administer programs
- ☐ Partner to administer a HUD Welfare-to-Work voucher program
- ☐ Joint administration of other demonstration program
- ☐ Other (describe)

B. Services and programs offered to residents and participants

(1) General

a. Self-Sufficiency Policies

Which, if any of the following discretionary policies will the PHA employ to enhance the economic and social self-sufficiency of assisted families in the following areas? (select all that apply)

- ☐ Public housing rent determination policies
- ☐ Public housing admissions policies
- ☒ Section 8 admissions policies
- ☐ Preference in admission to section 8 for certain public housing families
- ☐ Preferences for families working or engaging in training or education programs for non-housing programs operated or coordinated by the PHA
- ☐ Preference/eligibility for public housing homeownership option participation
- ☐ Preference/eligibility for section 8 homeownership option participation
- ☐ Other policies (list below)

b. Economic and Social self-sufficiency programs

- ☒ Yes ☐ No: Does the PHA coordinate, promote or provide any programs to enhance the economic and social self-sufficiency of residents? (If “yes”, complete the following table; if “no” skip to sub-component 2, Family Self Sufficiency Programs. The position of the table may be altered to facilitate its use.)

Services and Programs				
Program Name & Description (including location, if appropriate)	Estimated Size	Allocation Method	Access (development office /	Eligibility (public housing or

		(waiting list/random selection/specific criteria/other)	PHA main office / other provider name)	section 8 participants or both)
<i>Initiative Resident</i>	<i>469</i>	<i>Specific criteria</i>	<i>PHA Main Office</i>	<i>Section 8 Participant</i>

(2) Family Self Sufficiency program/s

a. Participation Description

Family Self Sufficiency (FSS) Participation		
Program	Required Number of Participants (start of FY 2000 Estimate)	Actual Number of Participants (As of: DD/MM/YY)
Public Housing		
Section 8		

- b. ☐ Yes ☐ No: If the PHA is not maintaining the minimum program size required by HUD, does the most recent FSS Action Plan address the steps the PHA plans to take to achieve at least the minimum program size?
If no, list steps the PHA will take below:

C. Welfare Benefit Reductions

1. The PHA is complying with the statutory requirements of section 12(d) of the U.S. Housing Act of 1937 (relating to the treatment of income changes resulting from welfare program requirements) by: (select all that apply)

- ☐ Adopting appropriate changes to the PHA's public housing rent determination policies and train staff to carry out those policies
- ☒ Informing residents of new policy on admission and reexamination
- ☐ Actively notifying residents of new policy at times in addition to admission and reexamination.
- ☐ Establishing or pursuing a cooperative agreement with all appropriate TANF agencies regarding the exchange of information and coordination of services
- ☐ Establishing a protocol for exchange of information with all appropriate TANF agencies
- ☐ Other: (list below)

D. Reserved for Community Service Requirement pursuant to section 12(c) of the U.S. Housing Act of 1937

13. PHA Safety and Crime Prevention Measures

[24 CFR Part 903.7 9 (m)]

Exemptions from Component 13: High performing and small PHAs not participating in PHDEP and Section 8 Only PHAs may skip to component 15. High Performing and small PHAs that are participating in PHDEP and are submitting a PHDEP Plan with this PHA Plan may skip to sub-component D.

A. Need for measures to ensure the safety of public housing residents

1. Describe the need for measures to ensure the safety of public housing residents (select all that apply)

- ☐ High incidence of violent and/or drug-related crime in some or all of the PHA's developments
- ☐ High incidence of violent and/or drug-related crime in the areas surrounding or adjacent to the PHA's developments
- ☐ Residents fearful for their safety and/or the safety of their children
- ☐ Observed lower-level crime, vandalism and/or graffiti
- ☐ People on waiting list unwilling to move into one or more developments due to perceived and/or actual levels of violent and/or drug-related crime
- ☐ Other (describe below)

2. What information or data did the PHA used to determine the need for PHA actions to improve safety of residents (select all that apply).

- ☐ Safety and security survey of residents
- ☐ Analysis of crime statistics over time for crimes committed “in and around” public housing authority
- ☐ Analysis of cost trends over time for repair of vandalism and removal of graffiti
- ☐ Resident reports
- ☐ PHA employee reports
- ☐ Police reports
- ☐ Demonstrable, quantifiable success with previous or ongoing anticrime/anti drug programs
- ☐ Other (describe below)

3. Which developments are most affected? (list below)

B. Crime and Drug Prevention activities the PHA has undertaken or plans to undertake in the next PHA fiscal year

1. List the crime prevention activities the PHA has undertaken or plans to undertake: (select all that apply)

- ☐ Contracting with outside and/or resident organizations for the provision of crime-and/or drug-prevention activities
- ☐ Crime Prevention Through Environmental Design
- ☐ Activities targeted to at-risk youth, adults, or seniors
- ☐ Volunteer Resident Patrol/Block Watchers Program
- ☐ Other (describe below)

2. Which developments are most affected? (list below)

C. Coordination between PHA and the police

1. Describe the coordination between the PHA and the appropriate police precincts for carrying out crime prevention measures and activities: (select all that apply)

- ☐ Police involvement in development, implementation, and/or ongoing evaluation of drug-elimination plan
- ☐ Police provide crime data to housing authority staff for analysis and action
- ☐ Police have established a physical presence on housing authority property (e.g., community policing office, officer in residence)
- ☐ Police regularly testify in and otherwise support eviction cases

- ☐ Police regularly meet with the PHA management and residents
 - ☐ Agreement between PHA and local law enforcement agency for provision of above-baseline law enforcement services
 - ☐ Other activities (list below)
2. Which developments are most affected? (list below)

D. Additional information as required by PHDEP/PHDEP Plan

PHAs eligible for FY 2000 PHDEP funds must provide a PHDEP Plan meeting specified requirements prior to receipt of PHDEP funds.

- ☐ Yes ☐ No: Is the PHA eligible to participate in the PHDEP in the fiscal year covered by this PHA Plan?
- ☐ Yes ☐ No: Has the PHA included the PHDEP Plan for FY 2000 in this PHA Plan?
- ☐ Yes ☐ No: This PHDEP Plan is an Attachment. (Attachment Filename: ____)

14. RESERVED FOR PET POLICY

[24 CFR Part 903.7 9 (n)]

15. Civil Rights Certifications

[24 CFR Part 903.7 9 (o)]

Civil rights certifications are included in the PHA Plan Certifications of Compliance with the PHA Plans and Related Regulations.

16. Fiscal Audit

[24 CFR Part 903.7 9 (p)]

- 1. ☒ Yes ☐ No: Is the PHA required to have an audit conducted under section 5(h)(2) of the U.S. Housing Act of 1937 (42 U.S.C. 1437c(h))?
(If no, skip to component 17.)
- 2. ☒ Yes ☐ No: Was the most recent fiscal audit submitted to HUD?
- 3. ☐ Yes ☒ No: Were there any findings as the result of that audit?
- 4. ☐ Yes ☒ No: If there were any findings, do any remain unresolved?
If yes, how many unresolved findings remain? ____
- 5. ☐ Yes ☒ No: Have responses to any unresolved findings been submitted to HUD?
If not, when are they due (state below)?

17. PHA Asset Management

[24 CFR Part 903.7 9 (q)]

Exemptions from component 17: Section 8 Only PHAs are not required to complete this component. High performing and small PHAs are not required to complete this component.

1. ☐ Yes ☐ No: Is the PHA engaging in any activities that will contribute to the long-term asset management of its public housing stock , including how the Agency will plan for long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs that have **not** been addressed elsewhere in this PHA Plan?

2. What types of asset management activities will the PHA undertake? (select all that apply)
 - ☐ Not applicable
 - ☐ Private management
 - ☐ Development-based accounting
 - ☐ Comprehensive stock assessment
 - ☐ Other: (list below)

3. ☐ Yes ☐ No: Has the PHA included descriptions of asset management activities in the **optional** Public Housing Asset Management Table?

18. Other Information

[24 CFR Part 903.7 9 (r)]

A. Resident Advisory Board Recommendations

1. ☒ Yes ☐ No: Did the PHA receive any comments on the PHA Plan from the Resident Advisory Board/s?

2. If yes, the comments are: (if comments were received, the PHA **MUST** select one)
 - ☐ Attached at Attachment (File name)
 - ☒ Provided below: The Residents Advisory Board after numerous meetings presented the following recommendations. In relation with owners they suggested that:
 1. Ask them to present evidence of tax property payment.
 2. Ask them to present the Certificate of no penal record.
 3. Make them install the Intercom Service on Multifamily buildings.

In relation with the Agency:

1. They suggested that the units should be inspected twice a year.
2. Create a special bulletin informing the participants rights and responsibilities.
3. If a structure in the municipality is going to be declared public nuisance, they suggested that instead of being destroyed in should be re-constructed or rehabilitated and to be sold price to the participants of the program.
4. Construction of projects for elderly people are needed.
5. Families of low income should have access to affordable rent housing.
6. Due to the lack of housing with affordable rent, it is difficult for a family to find a home within a period of 120 days.
7. There is little viability of a security deposit payment, which is a minimum of one month, on behalf of low income families.

3. In what manner did the PHA address those comments? (select all that apply)

- ☒ Considered comments, but determined that no changes to the PHA Plan were necessary.
- ☐ The PHA changed portions of the PHA Plan in response to comments
List changes below:
- ☐ Other: (list below)

B. Description of Election process for Residents on the PHA Board

1. ☐ Yes ☒ No: Does the PHA meet the exemption criteria provided section 2(b)(2) of the U.S. Housing Act of 1937? (If no, continue to question 2; if yes, skip to sub-component C.)
2. ☐ Yes ☒ No: Was the resident who serves on the PHA Board elected by the residents? (If yes, continue to question 3; if no, skip to sub-component C.)

3. Description of Resident Election Process

a. Nomination of candidates for place on the ballot: (select all that apply)

- ☐ Candidates were nominated by resident and assisted family organizations
- ☐ Candidates could be nominated by any adult recipient of PHA assistance
- ☐ Self-nomination: Candidates registered with the PHA and requested a place on ballot
- ☐ Other: (describe)

b. Eligible candidates: (select one)

- ☐ Any recipient of PHA assistance
- ☐ Any head of household receiving PHA assistance
- ☐ Any adult recipient of PHA assistance
- ☐ Any adult member of a resident or assisted family organization

☐ Other (list)

c. Eligible voters: (select all that apply)

- ☐ All adult recipients of PHA assistance (public housing and section 8 tenant-based assistance)
- ☐ Representatives of all PHA resident and assisted family organizations
- ☐ Other (list)

C. Statement of Consistency with the Consolidated Plan

For each applicable Consolidated Plan, make the following statement (copy questions as many times as necessary).

1. Consolidated Plan jurisdiction: (provide name here)

Municipality of Caguas

2. The PHA has taken the following steps to ensure consistency of this PHA Plan with the Consolidated Plan for the jurisdiction: (select all that apply)

- ☒ The PHA has based its statement of needs of families in the jurisdiction on the needs expressed in the Consolidated Plan/s.
- ☒ The PHA has participated in any consultation process organized and offered by the Consolidated Plan agency in the development of the Consolidated Plan.
- ☒ The PHA has consulted with the Consolidated Plan agency during the development of this PHA Plan.
- ☐ Activities to be undertaken by the PHA in the coming year are consistent with the initiatives contained in the Consolidated Plan. (list below)

☐ Other: (list below)

The Consolidated Plan of the jurisdiction supports the PHA Plan with the following actions and commitments:(describe below)

D. Other Information Required by HUD

Use this section to provide any additional information requested by HUD.

Attachments

- a. *Consolidated Plan for the jurisdiction/s in which the PHA is located (which includes the Analysis of Impediments to Fair Housing Choice (AI) and any additional backup data to support statement of housing needs in the jurisdiction)*
- b. *Section 8 Administrative Plan*
- c. *The most recent fiscal audit of the PHA conducted under section 5(h) (2) of the U.S. Housing Act of 1937 (42 U.S.C. 1437c(h)), the results of that audit and the PHA's response to any findings.*
- d. *PHA Management Organizational Chart*
- e. *Programa de Vivienda Justa*

PHA Plan

Table Library

Component 7 Capital Fund Program Annual Statement Parts I, II, and III

Annual Statement

Capital Fund Program (CFP) Part I: Summary

Capital Fund Grant Number FFY of Grant Approval: (MM/YYYY)

☐ Original Annual Statement

Line No.	Summary by Development Account	Total Estimated
----------	--------------------------------	-----------------

		Cost
1	Total Non-CGP Funds	
2	1406 Operations	
3	1408 Management Improvements	
4	1410 Administration	
5	1411 Audit	
6	1415 Liquidated Damages	
7	1430 Fees and Costs	
8	1440 Site Acquisition	
9	1450 Site Improvement	
10	1460 Dwelling Structures	
11	1465.1 Dwelling Equipment-Nonexpendable	
12	1470 Nondwelling Structures	
13	1475 Nondwelling Equipment	
14	1485 Demolition	
15	1490 Replacement Reserve	
16	1492 Moving to Work Demonstration	
17	1495.1 Relocation Costs	
18	1498 Mod Used for Development	
19	1502 Contingency	
20	Amount of Annual Grant (Sum of lines 2-19)	
21	Amount of line 20 Related to LBP Activities	
22	Amount of line 20 Related to Section 504 Compliance	
23	Amount of line 20 Related to Security	
24	Amount of line 20 Related to Energy Conservation Measures	

Annual Statement

Capital Fund Program (CFP) Part II: Supporting Table

Development Number/Name HA-Wide Activities	General Description of Major Work Categories	Development Account Number	Total Estimated Cost

--	--	--	--	--

Annual Statement

Capital Fund Program (CFP) Part III: Implementation Schedule

Development Number/Name HA-Wide Activities	All Funds Obligated (Quarter Ending Date)	All Funds Expended (Quarter Ending Date)

Optional Table for 5-Year Action Plan for Capital Fund (Component 7)

Complete one table for each development in which work is planned in the next 5 PHA fiscal years. Complete a table for any PHA-wide physical or management improvements planned in the next 5 PHA fiscal year. Copy this table as many times as necessary. Note: PHAs need not include information from Year One of the 5-Year cycle, because this information is included in the Capital Fund Program Annual Statement.

Optional 5-Year Action Plan Tables				
Development Number	Development Name (or indicate PHA wide)	Number Vacant Units	% Vacancies in Development	
Description of Needed Physical Improvements or Management Improvements			Estimated Cost	Planned Start Date (HA Fiscal Year)
Total estimated cost over next 5 years				

Optional Public Housing Asset Management Table

See Technical Guidance for instructions on the use of this table, including information to be provided.

Public Housing Asset Management								
Development Identification		Activity Description						
Name, Number, and Location	Number and Type of units	Capital Fund Program Parts II and III <i>Component 7a</i>	Development Activities <i>Component 7b</i>	Demolition / disposition <i>Component 8</i>	Designated housing <i>Component 9</i>	Conversion <i>Component 10</i>	Home-ownership <i>Component 11a</i>	Other (describe) <i>Component 17</i>

MUNICIPALITY OF CAGUAS
DEPARTMENT OF HOUSING

*SECTION 8
ADMINISTRATIVE
PLAN*

This Administrative Plan covers the current requirements for the Section 8 Certificate and Voucher Programs.

INDEX

SECTION 1.	INTRODUCTION:	1
1.	Mission Statement:	1
2.	Purpose of Policy:	1
3.	Primary Responsibilities of the HA	1
4.	Objectives:	1
5.	Outreach:	2
A.	Outreach of Owners:	2
B.	Outreach to Potential Clients:	2
SECTION II.	FAIR HOUSING POLICY AND EQUAL OPPORTUNITY HOUSING PLAN	2
1.	Fair Housing Policy:	2
2.	Equal Opportunity Housing Plan:	3
3.	Equal Opportunity Posting Requirements:	3
SECTION III.	PRIVACY RIGHTS	4
SECTION IV.	DEFINITION TERMS	4
1.	Absorption:	4
2.	Adjusted Income:	4
3.	Administrative Fee:	4
4.	Administrative Reserve:	5
5.	Administrative Plan:	5
6.	Admission:	5
7.	Adult:	6
8.	Amortization Payment:	6
9.	Annual Contribution:	6
10.	Annual Income:	6
11.	Applicant:	6
12.	Budget Authority:	8
13.	Certificate:	8
14.	Certificate or Voucher Holder:	8
15.	Certificate Program:	8
16.	Child:	8
17.	Child Care Expenses:	8
18.	Child Custody	8
19.	Citizen:	9
20.	Common Space:	9
21.	Congregate Housing:	9
22.	Contiguous Metropolitan Statistical Area (MSA)	9
23.	Contiguously Assisted:	9

24.	<i>Contract Authority:</i>	9
25.	<i>Cooperative Housing (Term includes mutual housing):</i>	9
26.	<i>Dependent:</i>	9
27.	<i>Disabled Person:</i>	9
28.	<i>Displaced Family:</i>	9
29.	<i>Domicile:</i>	9
30.	<i>Drug-Related Criminal Activity:</i>	9
31.	<i>Elderly Family:</i>	10
32.	<i>Elderly Person:</i>	10
33.	<i>Evidence of Citizenship of Eligible Immigration Status:</i>	10
34.	<i>Exception Rent:</i>	10
35.	<i>Fair Market Rent (FMR):</i>	10
36.	<i>Family Status:</i>	10
37.	<i>Family:</i>	10
38.	<i>Family Self-Sufficiency (FSS) Program</i>	11
39.	<i>Family Share:</i>	11
40.	<i>Family Unit Size:</i>	12
41.	<i>FMR/Exception Rent Limit:</i>	12
42.	<i>Foster Children:</i>	12
43.	<i>Full-Time Student:</i>	12
44.	<i>Funding Increment:</i>	12
45.	<i>Gross Rent:</i>	12
46.	<i>Group Home:</i>	12
47.	<i>Handicapped Assistance Expense:</i>	12
48.	<i>Handicapped Person and/or Disabled Person:</i>	12
49.	<i>Hazardous Duty Pay:</i>	13
50.	<i>Head of Household:</i>	13
51.	<i>Homeless Family:</i>	13
52.	<i>Housing Agency (HA):</i>	14
53.	<i>Housing Assistance Payment (HAP):</i>	14
54.	<i>Housing Assistance Payment (HAP) Contract:</i>	14
55.	<i>Housing Quality Standards (HQS)</i>	14
56.	<i>HUD-Housing & Urban Development:</i>	14
57.	<i>HUD Requirements:</i>	14
58.	<i>Income Exclusions:</i>	14
59.	<i>Infant:</i>	17
60.	<i>Initial Contact Rent:</i>	17
61.	<i>Initial HA:</i>	17
62.	<i>Initial Lease Term:</i>	18
63.	<i>Initial Payment Standard:</i>	18
64.	<i>Initial Rent to Owner:</i>	18
65.	<i>Interim Redetermination of Rent:</i>	18
66.	<i>INS:</i>	18
67.	<i>Jurisdiction:</i>	18
68.	<i>Lease:</i>	18

69.	<i>Lease Addendum:</i>	18
70.	<i>Live-in-Aide:</i>	18
71.	<i>Low-Income Family:</i>	19
72.	<i>Manufactured Home:</i>	19
73.	<i>Manufactured Home Space:</i>	19
74.	<i>Medical Expense:</i>	19
75.	<i>Military Service:</i>	19
76.	<i>Minimum Rent:</i>	19
77.	<i>Minimum Rent Hardship Exemptions:</i>	19
78.	<i>Minor:</i>	20
79.	<i>Mixed Family:</i>	20
80.	<i>Monthly Adjusted Income:</i>	20
81.	<i>Monthly Income:</i>	20
82.	<i>Mutual Housing:</i>	20
83.	<i>National:</i>	20
84.	<i>Net Family Assets:</i>	20
85.	<i>Noncitizen:</i>	21
86.	<i>Notice of Funding Availability (NOFA)</i>	21
87.	<i>Over-FMR Tenancy:</i>	21
88.	<i>Owner:</i>	21
89.	<i>Participant:</i>	21
90.	<i>Payment Standards:</i>	21
91.	<i>Portability:</i>	21
92.	<i>Preference:</i>	21
93.	<i>Premises</i>	21
94.	<i>Private Space:</i>	21
95.	<i>Program:</i>	21
96.	<i>Project Based:</i>	21
97.	<i>Project Based Certificate Program:</i>	21
98.	<i>Reasonable Rent:</i>	21
99.	<i>Receiving HA:</i>	21
100.	<i>Recertification:</i>	22
101.	<i>Re-examination Date</i>	22
102.	<i>Regular Tenancy:</i>	22
103.	<i>Remaining Member of the Tenant Family:</i>	22
104.	<i>Rent to Owner:</i>	22
105.	<i>Residency Preference</i>	22
106.	<i>Residency Preference Area:</i>	22
107.	<i>Set-up Charges:</i>	22
108.	<i>Shared Housing;</i>	22
109.	<i>Single Person:</i>	22
110.	<i>Single Room Occupant (SRO):</i>	23
111.	<i>Special Admission:</i>	23
112.	<i>Spouse:</i>	23

113.	Subsidy Standards:	23
114.	Suspension:	23
115.	Temporarily Absent Family Members:	23
116.	Tenant:	23
117.	Tenant-Based:	23
118.	Tenant Rent:	23
119.	Total Tenant Payment (TTP):	23
120.	Utilities:	24
121.	Utility Allowance:	24
122.	Utility Hook-up Charge:	24
123.	Utility Reimbursement Payment (URP)	24
124.	Very Low-Income Family:	24
125.	Violent Criminal Activity:	24
126.	Voucher:	24
127.	Wage Earner:	25
128.	Waiting List Admission:	25
129.	Welfare Assistance:	25
SECTION V.	APPLYING FOR ASSISTANCE	25
1.	How to Apply:	25
2.	Closing of Application Taking:	25
3.	Opening of Application Taking:	25
4.	Application Period (Dates):	26
SECTION VI.	MISSED APPOINTMENTS FOR APPLICANTS OR PARTICIPANT	26
1.	Missed Appointment without Notification:	26
2.	Process when appointments(s) are Missed:	27
3.	Letters Mailed to Applicants by the HA:	27
SECTION VII.	MISREPRESENTATION BY THE APPLICANT OR PARTICIPANT	27
SECTION VIII.	SECTION 8 ELIGIBILITY CRITERIA	28
1.	Eligibility:	28
2.	Ineligible:	28
3.	Informed of Ineligibility:	28
4.	Single Person:	28
5.	Declaration of Citizenship:	28
6.	Adding a Person to the Program:	28
SECTION IX.	VERIFICATION AND DOCUMENTATION	29
1.	Social Security Number (SSN):	29

2.	<i>Employer Identification Number (EIN)</i>	30
3.	<i>Additional Documentation:</i>	30
4.	<i>Separation with Children:</i>	31
5.	<i>Separation-No Children:</i>	31
6.	<i>U.S. Citizenship Verification and Appeal Procedures:</i>	32
7.	<i>Criminal Records Management Policy:</i>	33
SECTION X.	<i> GROUNDS FOR DENIAL DOR TERMINATION OF ASSISTANCE</i>	34
1.	<i>Denied Admission:</i>	34
2.	<i>Notification of Denial:</i>	35
3.	<i>Time Frames for Denial:</i>	36
SECTION XI.	<i>APPLICANT DENIED ASSISTANCE AND PROVIDED OPPORTUNITY FOR INFORMAL REVIEW OR PARTICIPANT ASSISTANCE IS TERMINATED AND PROVIDED OPPORTUNITY FOR INFORMAL HEARING.</i>	36
SECTION XI.	<i>SECTION 8 APPLICANT SELECTION PROCESS</i>	39
1.	<i>Certificate or Housing Voucher Selection and Participation Process</i>	39
A.	<i>Equal Opportunity:</i>	39
B.	<i>Types of Selection:</i>	39
C.	<i>Special Admissions:</i>	39
2.	<i>Organizational of the Waiting List:</i>	39
3.	<i>Order or Selection from the Waiting List:</i>	39
4.	<i>Maintaining the Waiting List:</i>	40
5.	<i>Procedure for Removing and Applicants Name from the Waiting List</i>	40
6.	<i>Purging the Waiting List:</i>	40
7.	<i>Verification of Preference (timing), if applicable:</i>	41
SECTION XIII.	<i>ORIENTATION OF FAMILIES AND ISSUANCE OF CERTIFICATE OR HOUSING VOUCHER</i>	41
1.	<i>Briefing:</i>	41
2.	<i>Briefing Attendance Requirement:</i>	41
3.	<i>Format of the Briefing:</i>	41
4.	<i>Approval of Lease and Execution of Related Documents:</i>	43
SECTION XIV.	<i>HA DISAPPROVAL OF OWNER</i>	44
1.	<i>Owner Debarred:</i>	44
2.	<i>HA Administrative Discretion:</i>	44
SECTION XV.	<i>OWNER RESPONSIBILITY FOR SCREENING TENANT</i>	45

1.	<i>Suitability for Tenancy:</i>	45
2.	<i>Family's Background:</i>	45
3.	<i>Information Provided Owner Concerning Tenancy:</i>	45
SECTION XVI.	WHERE A FAMILY CAN LEASE A UNIT WITH TENANTBASED ASSISTANCE AND PORTABILITY PROCEDURES	45
1.	<i>Assistance in the Initial Has Jurisdiction:</i>	45
2.	<i>Portability-Assistance Outside the Initial HA Jurisdiction</i>	45
3.	<i>Income Eligibility:</i>	46
4.	<i>Leasing in Place:</i>	46
5.	<i>Freedom of Choice:</i>	46
6.	<i>Portability-Administration by the Initial HA Outside the Initial Has Jurisdiction</i>	46
7.	<i>Portability-Administration by Receiving HA:</i>	47
8.	<i>Portability Procedures:</i>	47
9.	<i>Absorption by the Receiving HA:</i>	48
10.	<i>Portability Billing:</i>	48
SECTION XVII	ABSENCE FROM THE ASSISTED UNIT	48
SECTION XVIII	CONTINUED ASSISTANCE AFTER FAMILY BREAK-UP	48
1.	<i>Assisted Unit:</i>	48
2.	<i>Interest of Family Members:</i>	49
3.	<i>Physical Violence:</i>	49
SECTION XIX	SUBSIDY STANDARDS:	49
SECTION XX	INSPECTIONS OF PRIVATE LANDLORD'S PROPERTY:	50
SECTION XXI	INSPECTIONS STANDARDS:	50
1.	<i>HQS Inspection Areas:</i>	50
2.	<i>Types of HQS Inspections:</i>	51
SECTION XXII	DETERMINATION OF PARTICIPANT AND RE-EXAMINATION OF INCOME AND FAMILY CIRCUMSTANCES	
1.	<i>Annual Re-examination:</i>	52
2.	<i>Interim Redetermination of Rent:</i>	53
3.	<i>Notice of Temporary Rent:</i>	54
4.	<i>The Effective Dates of Interim Redetermination of Rent:</i>	54
5.	<i>Special Re-examinations:</i>	54
6.	<i>Minimum Rent Hardship Exemptions:</i>	55
7.	<i>Reduction of Welfare Benefits:</i>	56
8.	<i>Exception to Rent Reductions:</i>	56

**SECTION XXIII ADJUSTMENT TO UTILITY ALLOWANCES AND CONTRACT RENTS, PLUS
MONTHLY HOUSING ASSISTANCE PAYMENTS 56**

1. *Utility Allowances:* 56
2. *Contract Rents:* 56
 - A. *Annual Adjustment:* 56
 - B. *A special adjustment:* 56
3. *Monthly Housing Assistance Payment (HAP) Payments:* 57

**SECTION XXIV FAIR MARKET RENT (FMR), PAYMENT STANDARD FOR VOUCHERS AND
RENT REASONABLENESS LIMITATION 57**

1. *Three Types of Tenancy in the Section 8 Tenant-Based Programs:* 57
2. *Negotiating Rent to Owner:* 57
3. *Rent to Owner:* 57
 - A. *HA determination:* 57
 - B. *Comparability:* 58
 - C. *Owner certification of rents charged for other units:* 58
4. *Maximum Subsidy: FMR/Exception Rent Limit:* 58
 - A. *Purpose* 58
 - B. *Determining exception rent* 58
5. *Voucher Tenancy or Over-FMR Tenancy: (How to calculate housing assistance payment)* 59
 - A. *Use of payment standard* 59
 - B. *Voucher Program:* 59
 - C. *Over-FMR tenancy:* 60
 - D. *Payment standard for family* 60
6. *Over-FMR Tenancy: HA Approval* 61
 - A. *HA discretion to approve* 61
 - B. *Requirements* 61
 - C. *Amount of assistance* 61
 - D. *The method of selection shall be on a first come, first served basis* 61
7. *Regular Tenancy: (How to calculate housing assistance payment)* 61
8. *Regular Tenancy: (Limit on initial rent to owner)* 62
 - A. *FMR /exception rent limit* 62
 - B. *Reasonable rent* 62
9. *Regular Tenancy: (Annual adjustment of rent to owner)* 62
 - A. *When rent is adjusted* 62
 - B. *Amount of annual adjustment* 62
10. *Regular Tenancy: (Special adjustment of rent to owner)* 63
 - A. *Substantial and general cost increases* 63
 - B. *Reasonable rent* 63
 - C. *Term of special adjustment* 63

11.	<i>Rent to Owner: (Effect of rent control)</i>	63
12.	<i>Rent to Owner: (In subsidized projects)</i>	63
	A. <i>Subsidized rent</i>	63
	B. <i>HOME</i>	63
	C. <i>Other subsidy:</i>	63
13.	<i>Other Fees and Charges</i>	63
14.	<i>Distribution of Housing Assistance Payment</i>	64
15.	<i>Family Share: (Family responsibility)</i>	64
16.	<i>Family Income and Composition: (Regular and interim examinations)</i>	64
	A. <i>HA responsibility for reexamination and verification</i>	64
	B. <i>When HA conducts interim reexamination</i>	64
	C. <i>Family reporting of change</i>	65
	D. <i>Effective date of reexamination</i>	65
	E. <i>Family member income</i>	65
17.	<i>Utility Allowance Schedule</i>	65
	A. <i>Maintaining schedule</i>	65
	B. <i>How allowances are determined</i>	65
	C. <i>Revisions of utility allowance schedule</i>	65
	D. <i>Use of utility allowance schedule</i>	66
	E. <i>Higher utility allowance as reasonable accommodation for a person with disabilities.</i>	66

SECTION XXV AFFORDABILITY ADJUSTMENTS AND RENT PROVISIONS VOUCHERS ONLY

1.	<i>Annual Increase of Payment Standards</i>	67
2.	<i>Rent Negotiation</i>	67
3.	<i>Rent Increase</i>	67
4.	<i>HA Disapproval of Lease:</i>	67

SECTION XXVI SECURITY DEPOSIT

SECTION XXVII TERMINATION OF TENANCY BY OWNER

1.	<i>Reasons for Termination:</i>	68
2.	<i>Eviction by Court Action:</i>	68
3.	<i>Written Notice:</i>	69
4.	<i>Termination During First Year:</i>	69

SECTION XXVIII TERMINATION OF HOUSING ASSISTANCE PAYMENT (HAP) CONTRACT

1.	<i>Termination of HAP Contract when the Unit is too big or too small</i>	69
2.	<i>Breach of Contract:</i>	69
3.	<i>Automatic Termination of HAP Contract:</i>	69

<i>SECTION XXIX</i>	<i>PROGRAM MANAGEMENT PLAN (SAMPLE) ORGANIZATIONAL PLAN</i>	<i>69</i>
1.	<i>Executive Director:</i>	<i>69</i>
2.	<i>Section 8 Coordinator:</i>	<i>70</i>
3.	<i>Comptroller:</i>	<i>70</i>
4.	<i>Applications Clerk:</i>	<i>70</i>
5.	<i>Inspector:</i>	<i>70</i>
<i>SECTION XXX</i>	<i>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT REVIEW OF CONTRAT COMPLIANCE</i>	<i>70</i>
<i>SECTION XXXI</i>	<i>ADMINISTRATIVE FEE RESERVE EXPENDITURES</i>	<i>70</i>
<i>SECTION XXXII</i>	<i>SPECIAL HOUSING TYPES</i>	<i>70</i>
1.	<i>Overview</i>	<i>70</i>
A.	<i>Special housing types</i>	<i>70</i>
B.	<i>HA choice to offer special housing type</i>	<i>71</i>
C.	<i>Family choice of housing and housing type</i>	<i>71</i>
D.	<i>Applicability of requirements</i>	<i>71</i>
2.	<i>Single Room Occupancy (SRO)</i>	<i>71</i>
A.	<i>SRO: General Sec. 982.602</i>	<i>71</i>
B.	<i>SRO: Lease and HAP contract Sec. 982.603</i>	<i>71</i>
C.	<i>SRO: Rent and housing assistance payment Sec. 982.604</i>	<i>72</i>
D.	<i>SRO: Housing quality standards Sec. 982.605</i>	<i>72</i>
3.	<i>Congregate Housing</i>	<i>73</i>
A.	<i>Who may reside in congregate housing</i>	<i>73</i>
B.	<i>Lease and HAP contract</i>	<i>74</i>
C.	<i>Rent and housing assistance payment; FMR/exception rent limit</i>	<i>74</i>
D.	<i>Housing quality standard</i>	<i>74</i>
4.	<i>Group Home</i>	<i>74</i>
A.	<i>Who may reside in a group home</i>	<i>74</i>
B.	<i>Lease and HAP contract</i>	<i>75</i>
C.	<i>State approval of group home</i>	<i>75</i>
D.	<i>Rent and housing assistance payment</i>	<i>75</i>
E.	<i>Utility allowance</i>	<i>76</i>
F.	<i>Housing quality standards</i>	<i>76</i>
5.	<i>Shared Housing</i>	<i>78</i>
A.	<i>Shared housing: Occupancy</i>	<i>78</i>
B.	<i>Lease and HAP contract</i>	<i>78</i>
C.	<i>Rent and housing assistance payment</i>	<i>78</i>
D.	<i>Housing quality standards</i>	<i>79</i>
6.	<i>Cooperative</i>	

A.	Cooperative housing	79
7.	Manufactured Home	80
A.	Applicability of requirements	80
B.	Housing quality standards	81
C.	Space Rental: Rent to owner	81
D.	Space Rental: Housing assistance payment	81
E.	Space Rental:	83
<i>SECTION XXXIII FAMILY SELF-SUFFICIENCY PROGRAMS (If Applicable)</i>		84
1.	Eligible FSS Participants	84
2.	Termination of FSS:	84
3.	Reduction of Required FSS Program:	84
<i>SECTION XXXIV DECONCENTRATE RUEL</i>		85
<i>SECTION XXXV CLOSING OF FILES AND /PURGING INACTIVE FILES</i>		85

SECTION I INTRODUCTION:

1. Mission Statement: Our goal is to provide decent, safe, and sanitary rental housing for eligible families and to provide opportunities and promote self-sufficiency and economic independence for Section 8 participants.

- ❖ In order to achieve this mission, we will:*
- ❖ Recognize residents as our ultimate customer*
- ❖ Improve Public Housing Authority (HA) management and service delivery effort through effective and efficient management of HA staff*
- ❖ Seek problem-solving partnership with residents, landlords, community, and government leadership.*
- ❖ Apply limited HA resources to the effective and efficient management and operation of Section 8 programs.*

2. Purpose of Policy: The purpose of this plan is to establish guidelines for the HA staff to follow in determining eligibility for the Section 8 programs. The basic guidelines for this plan are governed by requirements of the Department of Housing and Urban Development (HUD), with latitude for local policies and procedures. The Policies and Procedures governing admissions and continued occupancy are outlined in this plan and these requirements are binding upon applicants, residents, landlords and this HA alike. Notwithstanding the above, changes in applicable federal laws or regulations shall supersede provisions in conflict with this policy.

Federal Regulations shall mean those found in Section 24 CFR (Code of Federal Regulations)

3. Primary Responsibilities of the HA:

Informing eligible families of the availability of Section 8 assistance;

Encouraging owners to make their available for lease by Section 8 participants;

Determining the maximum amount of housing assistance payments that can be used for family-paid utilities; and posting the utility allowances annually;

Receiving applications from families and determining their eligibility for assistance;

Inspecting Section 8 units to determine that they meet or exceed Section 8 Housing Quality Standards;

Approving leases:

Making Housing Assistance Payments to owners

Perform annual and periodic re-examinations of income, family composition and redetermination of rent;

4. *Objectives: The objectives of this plan are to:*

- A. *Promote the overall goal of decent, safe and sanitary housing by using the Section 8 program to house eligible families in private rental housing; therefore, increasing the housing stock for very low-income families.*
- B. *Improve the City's housing stock by requiring participating landlords to meet Section 8 Housing Quality Standards for their rental property.*
- C. *Facilitate the efficient management of the HA and compliance with Federal Regulations by establishing policies for the efficient and effective management of Section 8 program and staff.*
- D. *Comply in letter spirit with Title VI of the Civil Rights Act of 1964, and all other applicable Federal laws and regulations to insure that occupancy in assisted housing is administered with regard to race, color, religion, sex, handicap, familial status and national origin.*
- E. *The Housing and Community Development Act of 1974 reflects Congress's intent that, where possible, the nation's existing housing stock should be preserved. The Section 8 Program will allow the HA utilize existing housing stock and allow family who qualifies for Section 8 Assistance and lives in substandard housing to remain, if the owner brings the house up to HQS standards and the Section 8 participants decides to remain in that unit.*

4. *Outreach:*

- A. *Outreach to Owners: The HA will encourage participation by owners of suitable units located outside areas or low income or minority concentration by distributing and communicating information concerning property owners leasing units under the Section 8 programs through the local media (newspaper, radio, television, etc.)*
- B. *Outreach the Potential Clients: The HA may make know to the public, through publications in a newspaper of general circulation as well as through minority media other suitable means, the availability and nature of housing assistance for lower-income families. The notice shall inform such families where they may apply for Section 8 rental assistance.*

The HA shall take affirmative actions to provide opportunity to participate in the program to persons who, because of such factors as race, ethnicity, sex of household head, age, or source of income, are less likely to apply for Section 8 rental assistance. The HA may hold meetings concerning the Section 8 programs with local community agencies.

SECTION II. FAIR HOUSING POLICY AND EQUAL OPPORTUNITY HOUSING PLAN

1. *Fair Housing Policy: The Fair Housing Policy of the HA to comply fully with all Federal State, and local nondiscrimination laws and in accordance with the rules and regulations governing Fair Housing and Equal Opportunity in housing and employment and with the Americans with Disabilities Act. Specifically, the HA shall not on the basis of race, color religion, sex, handicap, familial status, and national origin, deny any family or individual the opportunity to apply for or receive assistance under HUD's Section 8 Programs, within the requirements and regulations authorities. To further its commitment to full compliance with applicable Civil Rights laws, the HA will provide access to information to Section 8 participants regarding "discrimination". Also, this subject will be discussed during the briefing session and any complaints will be documented and made part of the applicants/participants file.*

For families and/or individuals who report apparent discrimination in obtaining assisted housing, the HA shall assist them by providing the family/individual with a HUD Housing Discrimination Complaint Form, HUD-903. The individual can complete this form and report apparent discrimination to the Municipality of Caguas, Housing Office. For example, a resident may be trying to obtain other rental housing and/or is attempting to purchase a home and experiences apparent discrimination.

2. *Equal Opportunity Housing Plan: The HA is a participant in the tenant-based program and is required to comply with equal opportunity requirements imposed by contract or federal law (Ref: 24 CFR 982.54). This includes applicable requirements under:*
 - A. *The fair act, 42 U.S.C. 3610-3619 (implementing regulations at 24 CFR parts 100, et seq.);*
 - B. *Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d (implementing regulations at 24 CFR part 1);*
 - C. *The age discrimination act of 1975, 42 U.S.C. 6101-6107 (implementing regulations at 24 CFR, part 146);*

- D. *Executive Order 11063, Equal Opportunity in Housing (1962), as amended, Executive Order 12259, 46 FR1253 (1980), as amended, Executive Order 12892, 2939 (1994) (implementing regulations at 24 CFR, part 107);*
- E. *Section 504 of the Rehabilitation Act of 193; 29 U.S.C. 794 (implementing regulations at 24 CFR, part 8; and*
- F. *Title II of the Americans with Disabilities Act, 42 U.S.C. 12101, et seq.*

3. *Equal Opportunity Posting Requirements:*

There shall be maintained in the HA's office waiting room a bulleting board, which will accommodate the following posted materials:

- A. *Statement of Policies and Procedures Governing the Section 8 Administrative Plan.*
- B. *Open Occupancy Notice (Applications being Accepted and/or Not Accepted)*
- C. *Income Limits for Admission*
- D. *Utility Allowances*
- E. *Informal Review and Hearing Procedure.*
- F. *Fair Housing Poster*
- G. *Equal Opportunity in Employment Poster.*

SECTION III PRIVACY RIGHTS

Applicants will be required to sign the Federal Privacy Act Statement which states under what conditions HUD will release information concerning Section 8 participants. Requests for information by other parties must be accompanied by a signed release request in order for the HA to release any information involving an applicant or participant, unless disclosure under Federal or State law or regulations (Reference HUD 9886).

SECTION IV DEFINITION OF TERM

Section 24 part 5 and Section 982.4 definitions effective from time to time are incorporate by reference as if fully set out herein. Copies of this regulation are available in the HA Office.

1. Absorption: In portability, the point at which a receiving HA stops billing the initial HA for assistance on behalf of a portability family.

2. Adjusted Income: Adjusted Family Income is the income on which totaltenant payment is to be based and means the Total Annual Income less the following allowances:

A. A deduction of \$480.00 for each member of the family (other than head of household or spouse) who is:

- 1. seventeen (17) years of age or younger, or*
- 2. who is eighteen (18) years of age or older and a verified full-time student and/or is disabled or handicapped according to this Section.*

B. A deduction of dollar amounts anticipated to be paid for the care of children (including foster children) under thirteen (13) years of age where care is necessary to enable a family member to be gainfully employed or to further his/her education. The dollar amount must be verified and reflect reasonable charges and cannot exceed the amount of income from employment (if employed).

C. A deduction of \$400.00 for Elderly Family whose head, spouse or sole member is sixty-two (62) years of age or older and/or is handicapped or disabled according to this Section.

D. A deduction for any elderly family:

- 1. That has no Handicapped Assistance Expense, an allowance for medical expenses equal to the amount by which the medical expense shall exceed three (3%) percent of Total Annual Family Income.*
- 2. That has Handicapped Assistance Expenses greater than or equal to three (3%) percent of Total Annual Family Income, an Allowance for Handicapped Assistance computed in accordance with paragraph f of this Section, plus an allowance for medical expenses that is equal to the Family's medical expenses.*
- 3. That has Handicapped Assistance Expenses that are less than three (3%) percent of Total Annual Family Income, an allowance for combined Handicapped Assistance expense and medical expense that is equal to the amount by which the sum of these expenses exceeds three (3%) percent of Total Annual Family Income. Expenses used to compute the deduction cannot be compensated for nor covered by insurance.*

E. A deduction for any family that is not an elderly family but has a handicapped or disabled member other than the head of household or spouse, Handicapped Assistance Expense in excess of three (3%) percent of Total Annual Family Income, but this allowance may not exceed the employment received by family members who are eighteen Handicapped or Disabled person.

F. Child Care Expenses: Amounts anticipated to be paid by the Family for the care of children under 13 years of age during the period for which Annual Income is computed, but only where such care is necessary to enable a Family member to **actively seek employment**, be gainfully employed or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care, and, in the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of income received from such employment. The reasonable amount of charges is determined by the HA, by conducting surveys of local child care providers. The results are posted in the HA office(s).

NOTE

If the Total Annual Income less the above allowances result in a rent that is less than the established minimum rent, the resident rent will be established at the HA established minimum rent.

3. *Administrative Fee: Fee paid by HUD to the HA for administration of the program and will include hard-to-house fees paid for moves by families with three or more minors, and extra counseling money that may be authorized by HUD.*
4. *Administrative Fee Reserve: (formerly "operating reserve") Account established by HA from excess administrative fee income. HA administrative fees may only be used to cover costs incurred to perform HA administrative responsibilities for the program in accordance with HUD regulations and requirements.*
5. *Administrative Plan; The administrative plan describes HA policies for administration of the tenant-based program. This document is the administrative plan for the HA.*
6. *Admission: The effective date of the first HAP contract for a family (first day of initial lease term) in a tenant-based program. This is the point when the family becomes a participant in the program.*

7. *Adult: An adult is:*
19 years of age or older;
18 years of age and married (not common law), or
A person that has been relieved of the disability of non-age by the juvenile court.

NOTE

Only persons who are adults shall be eligible to enter into a lease agreement for occupancy.

8. *Amortization Payment: In a manufactured home space rental, the monthly debt service payment by the family to amortize the purchase price of the manufacture home.*
9. *Annual Contributions Contract (ACC): A written contract between HUD and an HA. Under the contract HUD agrees to provide funding for operation of the program, and the HA agrees to comply with HUD requirements for the program.*
10. *Annual Income: Annual Income is the anticipated total income from all sources received y the family head and spouse (even if temporarily absent) and by each additional member of the family, including all net income derived from assets, for the 12 month period following the effective date or initial determination or re-examination of income, exclusive of certain other types of income specified in this policy. Annual Income **includes**, but is not limited to, the following: Ref: CFR 5.609.*
- A. *The full amount, before any payroll deduction, of wages and salaries, and overtime pay, including compensation for personal services (such as commissions, fees, tips and bonuses);*
- B. *Net income from the operation of a business or profession. (Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining Net Income). An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or other assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.*
- C. *Interest, dividends and other net income of any kind from real or personal property. (For this purpose, expenditures for amortization of capital indebtedness and an allowance for depreciation of capital assets shall not be deducted to determine the net income from real or personal property.)*

All allowance for depreciation is permitted only as authorized in Paragraph 1 B of this section. Any withdrawal of cash or assets from an investment will be included income, except to the withdrawal is reimbursement of cash investment by the family. Where the family has Net Family Assets in excess of \$5,000.00, Annual Income shall include the greater of the actual income derived from Net Family Assets or a percentage of the value of such assets based on the current passbook savings rate as determined by HUD;

- D. The full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefit and other similar types of periodic receipts, including a lump sum payment for the delayed start of a periodic payment;*
- E. Payments in lieu of earnings, such as unemployment and disability compensation, social security benefits, workmen's compensation and severance pay;*
- F. Welfare assistance. Is the welfare assistance payment includes an amount specifically designated for shelter and utilities that are subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:*
 - 1. The amount of the allowance or grant exclusive of the amount specifically designated shelter or utilities, plus*
 - 2. The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the families' welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage;*
- G. Periodic and determinable allowances, such as alimony, child support payment, and regular (monthly) contributions gifts, including amounts received from any persons not residing in the dwelling.*
- H. All regular pay, special payments and allowances (such as longevity, overseas duty, rental allowances for dependents, etc.) received by a member of the Armed Forces (whether or not living in the dwelling) who is head of the family, spouse, or other family member whose dependents are residing in the unit (see 1 hazardous duty pay).*
- I. Payments to the head of the household for support of a minor or payments nominally to a minor for his support but controlled for his benefit*

by the head of the household or a resident family member other than the head, who is responsible for his support;

- J. Veterans Administration compensation (Service Connected Disability or Death Benefits).*

Note:

If it not feasible to anticipate a level of income over a 12 month period, the income anticipated for a shorter period may be annualized, subject to a redetermination at the end of the shorter period.

Participants that receive lump-sum payments that are included as income and fall in the categories listed above, must report the income to the Section 8 Coordinator as soon as possible but no later than ten (10) calendar days after receipt of the funds and the applicable portion of the payment that is due as subsidy to the HA is due fourteen (14) days after the HA notifies the family of the amount due.

Unreported Income: If a Section 8 participant fails to report changes in income, as required, the Section 8 assistance will be terminated.

- 11. Applicant: (applicant family) A family that has applied for admission to a program, but is not yet a participant in the program.*
- 12. Budget Authority: An amount authorized and appropriated by the Congress for payment to Has under the program. For each funding increment in an HA program, budget authority is the maximum amount that may be paid by HUD to the HA over the ACC term of the funding increment.*
- 13. Certificate: A document issued by an HA to a family selected for to the rental certificate program. The certificate describes the program, and the procedures for HA approval of a unit selected by the family. The certificate also states the obligation of the family under the program.*
- 14. Certificate or Voucher Holder: A family holding a certificate or voucher with expired search time.*
- 15. Certificate Program: Rental Certificate Program.*
- 16. Child: A member of the family, other than the family head or spouse, who is under 18 years of age.*
- 17. Child Care Expenses: Child Care Expenses are amounts anticipated to be paid by the family for the care of children under thirteen (13) years of age during the period for which Annual Income is computed, but only where such care is necessary to enable a family member to*

actively seek employment, be gainfully employed or to further his/her education and only to the extent such amounts are not reimbursed. In the case of child care necessary to permit employment, the amount deducted must be verified and reflect reasonable charges and shall not exceed the amount of income received from such employment. The HA will not normally determine child care expenses as necessary when the household contains an additional unemployed adult who is physically capable of caring for the children. An example of an exception may be an unemployed adult that is not capable of caring for a child because of some type of disability and/or handicap. The head of household must document the disability/handicap that prevents the adult from providing child care.

18. *Child Custody: An applicant/participant family who does not have full custody of a child/children may only claim a child as a dependent by the following:*
- A. *The applicant/participant must have primary custody of the child*
 - B. *The applicant/participant must provide sufficient evidence that the child would reside with the Section 8 participant.*

Note:

The same child cannot be claimed by more than one applicant.

19. *Citizen: A citizen or national of the United States*
20. *Common Space: In shared housing: Space available for use by the assisted family and other occupants of the unit.*
21. *Congregate Housing: Housing for elderly persons or persons with disabilities that meets the HQS for congregate housing.*
22. *Contiguous Metropolitan Statistical Area (MSA): In portability, an MSA that shares a common boundary with the MSA in which the jurisdiction of the initial HA is located.*
23. *Continuously Assisted: An applicant is continuously assisted under the 1937 Housing Act if the family already receiving assistance under any 1937 Housing Act program when the family is admitted to the Section 8 program.*
24. *Contract Authority: The maximum annual payment by HUD to an HA for a funding increment.*
25. *Cooperative Housing (Term includes mutual housing): Housing owned by a non-profit corporation or association, and where a member of the corporation or association has the right to reside in a particular apartment, and to participate in management of the housing.*

26. *Dependent: A member of the family (except foster children **and foster adults**), other than the family head or spouse, who is under 18 years of age, or is a person with a disability, or is a full-time student. An unborn child shall not be considered a dependent.*
27. *Disabled Person: (See "Handicapped Person")*
28. *Displaced Family: A person, or family, displaced by governmental action, or whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws.*
29. *Domicile: The legal residence of household head or spouse as determined in accordance with State and local law.*
30. *Drug-Related Criminal Activity: Term means:*
- A. *Drug-trafficking, which is: The illegal manufacture, sale or distribution, or the possession with intent to manufacture, sell or distribute, of a controlled substance (as defined in section 102 of the controlled substances act (21 U.S.C. 802), or*
- B. *Illegal use, or possession for personal use, of a controlled substance (as defined in Section 102 of the controlled substances act (21 U.S.C. 802)*
31. *Elderly Family: A family whose head or spouse or whose sole member is at least sixty-two (62) years of age, or disabled, or handicapped and may include two or more elderly, disabled or handicapped persons living together, or one or more such persons living with another person who is determined to be essential to his or her care and well being.*
32. *Elderly person: A person who is at least sixty-two (62) years of age.*
33. *Evidence of Citizenship or Eligible Immigration Status: The documents which must be submitted to evidence citizenship or eligible immigration status (Reference CFR 5.508(b)).*
34. *Exception Rent: In the certificate program, an initial rent (contract rent plus any utility allowance) in excess of the published FMR. For certificates, exception rent is approved by HUD, and is used in determining the initial contract rent. In the voucher program, the HA may adopt a payment standard up to the exception rent limit approved by HUD for the HA certificate program.*

35. *Fair Market Rent (FMR): The rent, including the cost of utilities (except telephone), that would be required to be paid in the housing market area to obtain privately owned, existing, decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities. FMRs for existing housing are established by HUD for housing units of varying sizes (number of bedrooms), and published in the Federal Register in accordance with 24 CFR, part 888).*

36. *Familial Status: A single pregnant woman and individuals in the process of obtaining custody of any individual who has not attained the age of 18 years are processed for occupancy the same as single persons. 9 Reference Federal Register published February 13 1996, pages 5,662 and 5,663). In Section II i Reinventing Parts 812 and 912 of the Federal Register states:*

i The April 10, 1992 proposed revisions to parts 812 and 912, which concern section 5(b) of the Fair Housing Amendments Act of 1988 (FHAA) and the treatment of single , pregnant women obtaining custody, are not included in this final rule. The statutory prohibition against housing discrimination towards such persons is sufficiently clear and enforceable. Since the percentage limit for occupancy by single persons (which could have been used the mask instances of discrimination against persons in these protected classes) has been eliminated, it is no longer necessary to distinguish persons in the FHAA- protected classes from other single persons.

Therefore, a single pregnant woman and individuals in the process of obtaining custody of any individual who has not attained the age of 18 years are processed for occupancy the same as single persons and only entitle subsidy for a zero or one bedroom family unit size.

37. *Family: (See Below) The term "family" as used in this policy means:*

A. *Two or more persons related by blood, marriage, or by operation of law. A family with or without children (the temporary absence of a child from the home due to placement in foster care shall not be considered in determining family composition and family size); who live regularly together as a single household in the dwelling unit. By definition, a family must contain a competent adult of at least 19 years of age or 18 years of age and married (not common law) to enter into a contract and capable of functioning as the head of the household.*

Note:

If an individual is 18 and qualifies under the definition of family by being married, the head of household and the spouse must be parties to the lease. There must be some concept of family living beyond the mere sharing or intention to share housing accommodations by two or more persons to constitute them as a family within the meaning of this policy. Some recognized and acceptable basis of family relationship must exist as a condition of eligibility.

- A. *An elderly family;*
- B. *A near-elderly family;*
- C. *A disabled family;*
- D. *A displaced family;*
- E. *The remaining member of a tenant family (Refer Definition No. 101); and*
- F. *A single person who is not elderly or displaced person, or a person with disabilities, or the remaining of a tenant family.*

Note:

Housing assistance limitation for single persons. *A single person who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family may not be provided (for tenant-based assistance) housing for which the family unit size exceeds the one bedroom level (Ref. 982.207 Housing assistance limitation for single persons, published in the Federal Register on 2/13/96).*

The rule does not prohibit a single person from residing in a larger unit (2 or more bedrooms) with the amount of subsidy or for a zero or one-bedroom family unit size. The limit is on the amount of subsidy paid NOT the SIZE of the UNIT!

- 38. *Family Self-Sufficiency (FFS) Program: The program established by an HA to promote self sufficiency of assisted families, including the provision of supportive services (42 U.S.C. 1437u). Reference 24 CFR, part 984.*
- 39. *Family Share: The portion of rent and utilities paid by the family.*
- 40. *Family Unit Size: The appropriate number of bedrooms for a family. Family unit size is determined by the HA under the HA subsidy standards*
- 41. *FMR/Exception Rent Limit: The Section 8 Existing Housing fair market rent published by HUD Headquarters, or any exception rent. For a regular tenancy in the Certificate program, the initial rent to owner plus any utility allowance may not exceed the FMR/exceptionrent limit*

(for the selected dwelling unit or for the family unit size). For a tenancy in the voucher program the HA may adopt a payment standard up to the FMR/exception limit. For an over FMR tenancy in the Certificate program, the payment standard is the FMR/exception rent limit.

42. *Foster Children: With the prior written consent of the HA, a foster child may be added as a Section 8 participant. The factors considered by the HA in determining whether or not consent is granted may include:*
- A. *Whether the addition of new occupant may require the issuance of a new certificate or voucher, and whether such documents are available.*
 - B. *The Section 8 landlord's obligation to allow reasonable accommodation for handicapped persons.*
43. *Full-Time Student: A member of a family (other than the head of household or spouse) who is carrying a subject load which is considered full-time or day students under the standards and practices of the educational institution attended. An educational institution includes a vocational school with diploma, as well as an institution offering a college degree. Verification will be supplied by the attended educational institution.*
44. *Funding Increment: Each commitment of budget authority by HUD to an HA under the consolidated ACC for the HA program.*
45. *Gross Rent: The sum of the rent to owner plus any utility allowance.*
46. *Group Home: A dwelling unit that is licensed by a State as a group home for the exclusive residential use of two or twelve persons who are elderly or persons with disabilities (including any live-aid).*
47. *Handicapped Assistance Expense: Reasonable expense that are anticipated, during the period for which Total Annual Family Income is computed, for attendant care and auxiliary apparatus for a Handicapped or Disabled family member and that are necessary to enable a family member (including the Handicapped or Disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.*
48. *Handicapped person and/or Disabled Person: A person having a physical or mental impairment which:*
- A. *Is expected to be of long-continued and indefinite duration,*
 - B. *Substantially impedes his/her ability to live independently; and*
 - C. *Is of such a nature that such disability could be improved by more suitable housing conditions.*

Note

All three conditions must be met to qualify as handicapped)

A person who is under disability as defined in Section 223 of the Social Security Act (42 U.S.C. 423) or in Section 102(7) of the Development Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7), or his handicapped as defined below:

D. Section 223 of the Social Security Act defines disabilities as:

- 1. inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months; or*
- 2. in the case of any individual who has attained the age of fifty-five (55) and is blind (within the meaning of "blindness" as defined in Section 416(I) of this title), inability by reason of such blindness to engage in substantial gainful activity requiring skills or abilities comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.*

E. Section 102(5) of the Development Disabilities Services and Facilities Construction Amendments of 1970 defines disability as:

"A disability attributable to mental retardation, cerebral palsy, epilepsy or another neurological condition of an individual found by the Secretary (of Health and Human Resources) to be closely related to mental retardation or to require treatment similar to that required for mentally retarded individuals, which disability originates before such individual attains age eighteen (18), which has continued or can be expected to continue indefinitely, and which constitutes a substantial handicap to such individual."

- 49. Hazardous Duty Pay: Pay to family member in the Armed Forces away from home and exposed to hostile fire.*
- 50. Head of Household: The adult member of the family who is the head of the household for purpose of determining income eligibility and rent. Also, the head of household is primarily responsible and accountable for the family, particularly in regard to lease obligations.*

51. *Homeless Family: Any individual or family who:*
- A. *Lacks a fixed, regular, and adequate nighttime residence;*
 - B. *Has a primary nighttime residence that is:*
 - 1. *A supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing or housing for the mentally ill);*
 - 2. *An institution that provides a temporary residence for individuals intended to be institutionalized; or*
 - 3. *A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.*
 - C. *A homeless family does not include:*
 - 1. *Any individual imprisoned or otherwise detained pursuant to an Act of the Congress or a State Law; or*
 - 2. *Any individual who is a Single Room Occupant that is not considered substandard housing as defined in 83 below.*
52. *Housing Agency (HA): Housing Agency (formerly Public Housing Agency (PHA) PHA and HA are the same thing) A State, country, municipality or other governmental entity or public body (or agency or instrumentality thereof) authorized to engage in or assist in the development or operation of low-income housing.*
53. *Housing Assistance Payment (HAP): The monthly assistance payment by the HA. The total assistance payment consists of:*
- A. *A payment to the owner for rent to owner under the family's lease.*
 - B. *An additional payment to the family if the total assistance payment exceeds the rent to owner. In the certificate program, the additional payment is called a "utility reimbursement". The HA may elect to pay the appropriate amount directly to the utility provider.*
54. *Housing Assistance Payment (HAP) Contract: A written contract between an HA and owner, in the form prescribed by HUD, in which the HA agrees to make housing assistance payments to the owner on behalf of an eligible family.*
55. *Housing Quality Standards (HQS): The HUD minimum quality standards for housing assistance under the tenant-based programs.*
56. *HUD- Housing & Urban Development: The U.S. Department of Housing and*

Urban Development.

57. *HUD Requirements: HUD requirements for the Section 8 programs. HUD requirements are issued by HUD headquarters, as regulations, Federal Register notices or other binding program directives.*
58. *Income Exclusions: Annual Income does not include such temporary, nonrecurring or sporadic income as the following:*
 - A. *Temporary: Casual, sporadic, temporary, nonrecurring income including gifts.*
 - B. *Medical Reimbursements: Amounts that are specifically received from, or are a reimbursement of, the cost of illness or medical care.*
 - C. *Lump-sum additions to family assets: Such as, but not necessarily limited to, inheritances, insurance payments, including payments under health and accident insurance and workmen's compensation, capital gains, and settlements for personal or property losses.*
 - D. *Scholarships: Full amounts of educational institution and amounts paid by the United States government to a veteran for use in meeting the cost of tuition, fees, books, equipment, materials, supplies, transportation, and miscellaneous personal expenses for the students.*
 - E. *Relocation payments: Made pursuant to Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 42 USC 4636.).*
 - F. *Food Stamps: The value of the coupon allotments for the purchase of food in excess of the amount actually charges an eligible household pursuant of the Food Stamp Act of 1973 (7 USC 201(b)).*
 - G. *Domestic Volunteers Service Act: Payments received by participants or volunteers in programs pursuant to the Domestic Volunteers Service Act of 1973 (42 USC 5044 (g), 5058).*
 - H. *Income of a live-in aide: (as defined in this policy).*
 - I. *Job Training Partnership Act: Payments received from the Job Training Partnership Act (29 USC 1552 (b)).*
 - J. *Hazardous Duty Pay: For a Family member in the Armed Forces away from home and exposed to hostile fire.*
 - K. *Minor Income: Income from employment of children (including foster children) under the age eighteen (18).*

- L. *Foster Care: Payment received for the care of foster children.*
- M. *Alaska Native Claim Settlement Act: Payments received under the Alaska Native Claims Settlement Act (43 USC 1626 (a)), or reparation payments made by foreign governments in connection with the Holocaust.*
- N. *Submarginal Land Income: Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 USC 4599e)).*
- O. *Home Energy Assistance Program: Payments or allowances made under the Department of Health and Human Services Low-Income Home Energy Assistance Program (42 USC 862(f)).*
- P. *UD Training: Amounts received under training programs funded by the Department of Housing and Urban Development.*
- Q. *Earned Income Tax Credit Refund: For taxable years after December 31, 1990, the earned income tax credit refund. Effective Date: July 25, 1994.*
- R. *Earned Income Tax Credit Refund: A resident stipend is a modest amount (i.e., \$200 or less per month), received by a resident for performing a service for the owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination and resident management. No resident may receive more than one such stipend during the same period of time. The exclusion exempts resident service stipend from annual income, but only if the resident service stipend does not exceed \$200 per month. Compensation from state or local employment training programs and the training of a family member as a resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and excluded only for a limited period as determined in advance.*
- S. *Adoption Assistance Payments: Income payments received for the care of adopted children to the extent that the payment exceed \$480 per adopted child.*
- T. *Student Financial Assistance: This exclusion exemption exempts from annual income all amounts received from student financial assistance . Student financial assistance is interpreted broadly to include various scholarships, educational entitlements, grants, work-study programs and financial aid packages.*
- U. *Earned Income of Full-time Students: This exclusion exempts earnings in excess of \$480 for each full-time students eighteen years old or older, except for the head of household and spouse. The exemption only applies to earnings in excess of \$480 since the family already receives a \$480 deduction from income for any fulltime student.*

- V. *Adult Foster Care Payments:* This exclusion removes from the computation of annual income payments for the care of foster adults, usually individuals with disabilities, unrelated to the tenant family, who are unable to live alone. Currently, only payments for the care for foster children are excluded from annual income. In adding this exclusion, the Department is not requiring that housing authorities or owner permit foster adults in assisted housing.
- W. *Compensation from state or local Job Training Programs and Training of Resident Management Staff:* this exclusion exempts compensation received from qualifying employment training programs and the training of resident management staff. To qualify under this exclusion, the compensation received must be a component of a state or local Employment Training Program with the clearly defined goals and objectives. Moreover, only the compensation received incident to the training program is excluded (i.e., any additional income received during the training program, such as welfare benefits, will continue to be counted as income). In addition, this exclusion only covers compensation received while the resident participates in the employment training program and the duration of participation must be for a limited period determined in advance. An example of compensation which falls under this exclusion is compensation received from-on-the-job training and during apprenticeship programs.
- X. *Property Tax Rebates:* This provision excludes state rent credits and rebates for property taxes paid on a dwelling unit.
- Y. *Home Care Payments for Developmentally Disabled Children or Adult Family Members:* This exclusion exempts amounts paid by a state agency to families who have developmentally disabled children or adult family members living at home. States that provide families with home care payments do so to offset the cost of services and equipment needed to keep a developmentally disabled family members at home.
- Z. *Deferred periodic payments:* Of supplemental security income and social security benefits that are received in a lump sum payment.

59. *Infant:* A child under the age of two years.

60. *Initial Contract Rent:* In the certificate program, the contract rent at the beginning of the initial lease term.

61. *Initial HA:* In portability, the term refers to both:

- A. *An HA that originally selected a family that subsequently decides to move out of the jurisdiction of the selecting HA.*
 - B. *An HA that absorbed a family that subsequently decides to move out of the jurisdiction to the absorbing HA.*
62. *Initial Lease Term: The initial term of the assisted lease. The initial term must be for at least one year.*
63. *Initial Payment Standard: The payment at the beginning of the HA contract term.*
64. *Initial Rent to Owner: The rent to owner at the beginning of the initial lease term.*
65. *Interim Redetermination of Rent: Changes of rent between admissions and reexaminations and the next succeeding reexamination.*
66. *INS The U.S. Immigration and Naturalization Service*
67. *Jurisdiction: The area in which the HA has authority under State and local to administer the program.*
68. *Lease:*
- A. *A written agreement between an owner and a tenant for the leasing of a dwelling unit to the tenant. The lease established the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP contract between the owner and the HA.*
 - B. *In cooperative housing, a written agreement between a cooperative and a member of the cooperative. The agreement established the conditions for occupancy of the member's cooperative dwelling unit by the member's family with housing assistance payments to the cooperative under the HAP contract between the cooperative and the HA. For purpose of part 982, the cooperative is the Section 8 owner of the unit, and the cooperative member is the Section 8 tenant.*
69. *Lease Addendum: In the lease between the tenant and the owner, the lease language required by HUD.*
70. *Live-in-Aide: A person who reside with an Elderly, Disabled, or Handicapped person or persons and who:*

- A. *Is determined by the HA to be essential to the care and wellbeing of the persons (s).*
 - B. *Is not obligated for support of the person(s),*
 - C. *Would not be living in the unit except to provide supportive services. The income of a Live-in-aide that meets these requirements is not included as income to the tenant family; and,*
 - D. *A Live-in-Aide must be approved, in advance, by the HA.*
71. *Low-Income Family: A family whose Annual Income does not exceed eighty percent (80%) of the median income for the area, as determined by HUD with adjustments for smaller and larger families. (Section 982.201(b) describes when a low-income family are income-eligible for admission to the certificate or voucher program.)*
72. *Manufactured Homes: A Manufacture structure that is built on a permeant chassis, that is designed for use as a principal place of residence, andmeets the HQS.*
73. *Manufacture Home Space: In manufactured home space rental: a space leased by an owner to a family. An manufactured home owner and occupied by the family is located on the space.*
74. *Medical Expense: Those necessary medical expenses,including medical insurance company premiums, that are anticipated during the period for which Annual Income is computed, and that are not covered by insurance. Medical expenses, in excess of three percent (3%) of Annual Income, are deductible from income by elderly families only.*
75. *Military Service: Military Service means the active military service of the United States, which includes the Army, Navy, Air Force, Marine Corps, Coast Guard, and since July 29, 1945, the commissioned corps of the United States Public Health Service.*
76. *Minimum Rent: Families assisted under the Public Housing program pay a monthly ì minimum rentî of not more than \$50.00 per month. The HA has the discretion to establish the ì minimum rent from \$0 up to \$50. The minimum rent establish by this HA is \$25*
77. *Minimum Rent Hardship Exemptions:*
- A. *The HA shall immediately grant an exemption from application of the minimum monthly rent to any family making a proper request in writing who is unable to pay because of financial hardship, which shall include:*

- B. *The family has lost eligibility for, or is awaiting an eligibility determination for a federal, state, or local assistance program, including family that includes a member who is an alien lawfully admitted for permanent residence under the immigration and nationalization act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.*
- C. *The family would be evicted as a result of the implementation of the minimum rent.*
- D. *The income of the family has decreased because of changed circumstance, including loss of employment.*
- E. *A death in the family has occurred which affects the family circumstances.*
- F. *Other circumstances which may be decided by the HA on a case by case basis.*

- 1. *All of the above must be proven by the Resident providing verifiable information in writing to the HA prior to the becoming delinquent and before the lease is terminated by the HA.*
- 2. *If a resident request a hardship exemption (**prior to the rent being delinquent**) under this section, and the HA reasonably determines the hardship to be a temporary nature, exemption shall not be granted during a ninety day period beginning upon the making of the request for exemption. A resident may not be evicted during the ninety day period for non-payment of rent. In such a case, if the resident thereafter demonstrates that the financial hardship is of a long term basis, the HA shall retroactively exempt the resident from the applicability of the minimum rent requirements for such ninety day period. This Paragraph does not prohibit the HA from taking eviction action for other violations of the lease.*

- 78. *Minor; A "minor" is a person under nineteen years of age. Provided, that a married person 18 years of age or older shall be considered to be of the age of majority. (An unborn child may not be counted as a minor).*
- 79. *Mixed Family: A family whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigration status.*
- 80. *Monthly Adjusted Income: One-twelfth of Adjusted Annual Income.*
- 81. *Monthly Income: One twelfth of Annual Income. For purpose of determining priorities based on an applicant's rent as a percentage of family income, family income is the same as monthly income.*
- 82. *Mutual Housing: See definition of "cooperative housing", above.*
- 83. *National: A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.*
- 84. *Net family Asset: Net Family Assets means the net cash value after deduction reasonable costs that would be incurred in disposing of real property, checking and savings accounts, stocks,*

bonds, cash on hand, and other forms of capital investment, excluding interest in Indian trust land and excluding equity accounts in HUD home ownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded. (In cases where a trust fund has been established and the trust is not revocable by, or under control of, any member of the family or household, the value of the trust fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determined Annual Income).

In determining Net Family Assets this HA shall include the value of any business or family assets disposed of by any applicant or Tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two (2) years preceding the date of applications for the program or reexamination, as applicable, in excess of the consideration received therefor. In the case of disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or Tenant receives important consideration not measurable in dollar terms.

85. *Noncitizen: A person who is neither a citizen nor national of the United States.*
86. *Notice of Funding Availability (NOFA): For budget authority that HUD distributes by competitive process, the federal register document that invites applications for funding. The document explains how to apply for assistance and the criteria for awarding the funding.*
87. *Over-FMR Tenancy: In the Certificate Program: the tenancy for which the initial gross rent exceeds the FMR/exception rent limit.*
88. *Owner: Any person or entity with the legal right to lease or sublease a unit to a participant.*
89. *Participant: A family that has been admitted to the HA program, and is currently assisted in the program. The family becomes a participant on the effective date of the first HAP contract by the HA for the family.*
90. *Payment Standard: In a voucher or over-FMR tenancy the maximum subsidy payment for a family (before deducting the family contribution). For a Voucher tenancy, the HA sets a payment standard in the range from 80 percent to 10 percent of the current FMR/exception rent limit. For an over-FMR tenancy, the payment standard equals to current FMR/exception rent limit.*
91. *Portability: Renting a dwelling unit with Section 8 tenant-based assistance outside the jurisdiction of the initial HA.*
92. *Preference: At the option of the HA, a preference system can be used to select among applicant families.*
93. *Premises: The building or complex in which the dwelling unit is located, including common areas and grounds.*
94. *Private Space: In shared housing : The portion of a contract unit that is for the exclusive use of an assisted family.*

95. *Program: The tenant-based certificate or voucher program.*
96. *Project Based: Rental assistance that is attached to the structure.*
97. *Project Based Certificate Program: Project-based assistance under 24 CFR, part 983, using funding under the consolidated ACC for the HA certificate program.*
98. *Reasonable Rent: A rent to owner that is not more than either:*
 - A. *Rent charged for comparable units in the private unassisted market; or*
 - B. *Rent charged by the owner for a comparable unassisted unit in the building or premises.*
99. *Receiving HA: In portability, an HA that receives a family selected for a participation in the tenant-based program of another HA. The receiving HA issues a certificate or voucher, and provides program assistance to the family.*
100. *Recertification: Sometimes called reexamination. The process of securing documentation which indicates that tenants meet the eligibility requirements of continued occupancy.*
101. *Re-examination Date: The date on which any rent change is effective or would be effective if required as a result of the annual re-examination of eligibility and rent.*
102. *Regular Tenancy: In the certificate program: a tenancy other than a over-FMR tenancy.*
103. *Remaining Member of the Tenant Family: The person (s) of the legal remaining in the subsidized unit after the person (s) who signed the certificate or voucher has (have) left the premises, other than by eviction, who may or may not normally qualify for assistance on their own circumstances. An individual must have received housing subsidy under the program to which he/she claims head of household status for one year before becoming eligible for Section 8 subsidy as a remaining family member. The person must complete form necessary for Section 8 assistance within ten calendar days from the departure of the leaseholder and may remain in the unit for a reasonable time (not more than 60 calendar days for the date individual requests head of household status) pending the verification and hearing process. This person must, upon satisfactory completion of the verification process, then execute all required Section 8 subsidy documents and cure any monetary obligations in order to maintain assistance. Any person who claims him or herself as a remaining member shall, in the event that the HA declares him or her ineligible for remaining member status, be entitled to an informal hearing. The informal hearing process is described in Section XV., of this policy.*
104. *Rent to Owner: The total monthly rent payable to the owner under the lease for the unit. Rent to Owner covers payment for any housing services, maintenance and utilities that the owner is required to provide and pay for.*
105. *Residency Preference: An HA preference for admission of families that reside anywhere in a specified area, including families with a member who works or has been hired to work in the area.*

106. *Residency Preference Area:* The specified area where families must reside to qualify for a residency preference.
107. *Set-up Charges:* In a manufactured home space rental: charges payable by the family for assembling, skirting and anchoring the manufactured home.
108. *Shared Housing:* A unit occupied by two or more families. The unit consists of both common space or shared use by the occupants of the unit and separate private space for each assisted family.
109. *Single Person:* A person who lives alone or intends to live alone, and who does not qualify as an elderly family or a displaced person, or as the remaining member of a tenant family.
110. *Single Room Occupant (SRO):* Single Room Occupancy (SRO) Housing is a unit which does not contain sanitary facilities or food preparation facilities, or which contains one but not both types or facilities, and is suitable for occupancy by and eligible individual who is capable of independent living. SRO Housing is not substandard solely because it does not contain sanitary facilities or food preparation facilities, or both.
111. *Special Admission:* Admissions of an applicants that is not on the HA waiting list, or without considering the applicant's waiting list position.
112. *Spouse:* A spouse is the legal husband or wife of the head of the household. This includes common law marriage.
113. *Subsidy Standards:* Standard established by an HA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and composition.
114. *Suspension:* Stopping the clock on the term of family's certificate or voucher on the date that the HA receives the request for lease approval by the family (See also Section XII. 3, E, (1).
115. *Temporarily Absent Family Members:* Any person (s) on the lease that is not living in the household for a period of more than thirty (30) days is considered temporarily absent.
116. *Tenant:* The person or persons (other than a live-in aide) who executes the lease as lessee of the dwelling unit.
117. *Tenant Based:* Rental assistance that is not attached to the structure.
118. *Tenant Rent:* The actual amount due, calculated on a monthly basis, under a lease or occupancy agreement between a family and the family's current landlord. The tenant payment is the amount the tenant pays toward rent and allowance for utilities. To arrive at tenant rent, the utility allowance is subtracted from total tenant payment or minimum rent. If the utility allowance is greater than the total tenant payment or minimum rent, the tenant rent is zero and there is a utility reimbursement payment (URP). The URP is the difference between the total tenant payment or minimum rent and the utility allowance.

119. *Total Tenant Payment (TTP): The TTP for families participating in the certificate and moderate rehabilitation programs must be at least \$25.00, which is the minimum rent established by the HA.*

A. *For the Certificate Program, the TTP must be the greater of:*

1. *30 percent of family monthly adjusted income;*
2. *10 percent of family monthly income;*
3. *Welfare rent (if applicable) in as-paid states; or*
4. *\$25.00 which is the minimum rent set by the HA*

It is possible for certificate families to qualify for a utility reimbursement despite the requirement of a minimum rent.

For the Voucher Program

1. *The TTP is same as A (1), (2) and (3) above. The utility allowance is applicable for the Voucher Program. Voucher families will pay the owner the difference between the monthly rent the owner the difference between the monthly rent to owner and the housing assistance payment. Voucher families will also pay the cost of tenant-furnished utilities under the lease (Reference Notice 96-7 (HA) for Section 8 Voucher Program Minimum Rent Calculation Worksheet).*
2. *For families admitted to the program after 12/20/1998, and when the HA adopted payment standard exceeds the gross rent and the family remains in the same unit or complex the gross rent will be used as the payment standard.*

120. *Utilities: Utilities may include water, electricity (including air conditioning if applicable. See CFR 982.517), gas, garbage, and sewage services and, where applicable, trash and garbage collection.*

121. *Utility Allowance: The utility allowance, if any, determined for the Section 8 program for tenant purchased utilities (except telephone) that are normally included in rent.*

122. *Utility Hook-Up-Charge: In a manufactured home space rental: cost payable by a family for connecting the manufactured home to utilities such as water, gas, electrical or sewer line.*

123. *Utility Reimbursement Payment (URP): Utility Reimbursement Payment is the amount, if any, by which the Utility Allowance for the unit, if applicable exceeds the Total Payment or minimum rent for the family occupying the unit.*

124. *Very Low-Income Family: A lower Income Family means a family whose annual income does not exceed fifty (50%) percent of the median income for the area, as determined by HUD, with*

adjustments for smaller and larger families. HUD may establish income limits higher or lower than 50 percent of the median income for the area on the basis of its finding that such variations are necessary because of unusually high or low family incomes.

- 125. Violent Criminal Activity: Any illegal criminal activity that has as one of its elements the use, attempted use, or threatened use, attempted use, or threatened use of physical force against the person or property of another.*
- 126. Voucher: A document issued by an HA to a family selected for admission to the Voucher Program. The voucher describes the program, and the procedures for HA approval of a unit selected by the family. The Voucher also states the obligations of the family under the program.*
- 127. Wage Earner: A person in a gainful activity who receives any wages. Said wages or pay covers all types of employee compensation including salaries, vacation allowances, tips, bonuses, commissions and unemployment compensation. The terms "Wage Earner" and "Worker" are used interchangeably.*
- 128. Waiting List Admission: An admission from the HA waiting list.*
- 129. Welfare Assistance: Welfare or other payments to families or individuals, based on need that are made under programs funded, separately or jointly, by Federal, State or local governments.*

SECTION V.

APPLYING FOR ASSISTANCE

1. *How to Apply:*
 - A. *Families wishing to apply for housing assistance shall complete an application for public assistance.*
 - B. *Applications will be accepted at the following location: Housing Department Centro de Gobierno Municipal Suite 201.*
 - C. *Applications are taken to compile a waiting list. Due to the demand for housing in the HA's jurisdiction. The HA may take applications on a "open enrollment" basis, depending on the length of the waiting list.*
 - D. *Completed applications and the information will be verified by the HA.*
 - E. *Applications may be made in person at the HA during specified dates and business hours posted at the HA's Office.*
 - F. *The applications must be dated, time-stamped, and referred to the HA's office where Section 8 applications are processed.*
2. *Closing of Application Taking: If the HA is taking applications, the HA may suspend the taking of applications if the waiting list is such that additional applicants would not be able to be housed within the next 12 month period.*
3. *Opening of Application Taking: When the HA decides to start taking applications the following procedures will be followed:*

Note

The HA will make know to the public through publication in a newspaper of general circulation, minority media, and other suitable means the availability and nature of housing assistance for eligible families.

The Notice must contain the following:

- A. *The HA will publish the date applications will be accepted and the location where applications can be completed.*

Note

If the HA anticipates suspending the taking of applicants after a period of time, the date of acceptance and closing of applications must be published.

- B. Advise families that applications will be taken at the designated office;*
 - C. Briefly describe the Housing Assistance program; and*
 - D. State that applicants for Section 8 assistance must specifically apply for Section 8 assistance and that applicants for Section 8 assistance may also apply for to Public Housing and they will not lose their place on the Section 8 Housing waiting list if they also apply for Public Housing.*
 - E. To reach persons who cannot read the newspapers, the HA will distribute fact sheets to the broadcasting media. Personal contacts with the news media and with community service personnel, as well as public service announcements, will be made.*
- 4. Application Period (Dates): The application talking closing date may be determined administratively at the same time that the HA determines to open enrollment. The open enrollment period shall be long enough to allow enough applicants as required by the projected turnover and the number of Section 8 Certificates or Housing Vouchers allocated.*

SECTION VI. MISSED APPOINTMENTS FOR APPLICANTS OR PARTICIPANTS

- 1. Missed Appointment Without Notification: An applicant or person receiving assistance who fails to keep an appointment without notifying the HA and without rescheduling the appointment shall be sent a notice of termination of the process or assistance for failure to supply such certification, release of information or documentation as the Ha or HUD determines to be necessary (or failure to allow the HA to inspect the dwelling unit at reasonable times and after reasonable notice, if applicable in the following situations:*
 - A. Complete Application*
 - B. Bringing in Verification Information*
 - C. Program Briefing*
 - D. Leasing Signature Briefing*
 - E. HQS Inspections*
 - F. Recertification*
 - G. Interim Adjustment*
 - H. Other Appointments or Requirements to Bring in Documentation as Listed in this Plan.*
 - I. Scheduled Counseling Sessions*
- 2. Process when Appointment (s) are Missed: For most of the functions above, the family may be given two appointments. If the family doesnot appear or call to reschedule the appointment (s) required, the HA may begin the termination process. The applicant or participant will be given an opportunity for an informal review or hearing pursuant to Section XI.*

If the representative of the HA makes a determination in favor of the applicant or participant, the HA will comply with decision unless the HA is not bound by a hearing decision concerning a mater for which the HA is not required to provide an opportunity for a hearing pursuant to 24 CFR 982.554 (c) and 982.555 (b).

If the letter was returned to the HA and the applicant can provide evidence that they were living at the address to which the letter was sent, the applicant will be reinstated with the date and time of application in effect at time the letter was sent.

Applicants must notify the HA, in writing, if their address changes during the applications process.

SECTION VII.

MISREPRESENTATION BY THE APPLICANT OR PARTICIPANT

If an applicant or Section 8 participant is found to have made willful misrepresentations at any time which resulted in the applicants or Section 8 participant being classified as eligible, when, in fact, they were ineligible, applicant will be declared ineligible and the Section 8 participant will be terminated because of the act of fraud by the applicant/Section 8 participant. If such misrepresentation resulted in the Section 8 participant paying a lower rent than was appropriate, the Section 8 participant shall be required to pay the difference between the actual payments and the amount which should have been paid. In justifiable instances, the HA may take such other actions as it deems appropriate, including referring the Section 8 participant to the proper authorities for possible criminal prosecution.

SECTION VIII.

SECTION 8 ELIGIBILITY CRITERIA

1. *Eligibility: All individuals who are admitted to the Section 8 Program in the HA must be individually determined eligible under the terms of this plan. In order to be determined eligible, an applicant must be following requirements:*
 - A. *The applicant family must qualify as a family as defined in Section IV.*
 - B. *The applicant family's Annual Income as defined in Section IV, must not exceed income limits established by HUD for the Section 8 Programs.*
 - C. *Head of Household must be:*
 1. *19 years of age or older,*
 2. *18 years of age and married (not common law), or*
 3. *A person that has been relieved of the disability of non-age by a juvenile court.*
2. *Ineligible: Applicants are not automatically determined eligible to receive federal assistance. An applicant will not be placed on a waiting list or offered Section 8 assistance under the following circumstances:*
3. *If the applicants annual family income exceeds the Income Limits established by HUD and published in the Federal Register, the applicant will be declared ineligible.*
4. *Informed of Ineligibility: If the participant has failed to meet any outstanding requirements for eligibility and is determined ineligible, he/she will be so informed and the reasons stated in writing. The applicant will be granted ten days from the date stated on the ineligible letter to request an informal meeting. The applicant may bring any person he/she wishes to represent them at the informal meeting. The request for an informal meeting may be submitted in writing in and/or the request may be verbal. However, the request must be received by the HA within the time frame established by the HA for the meeting.*

5. *Single Person; In addition, under Section 24 CFR 5.405, the HA is permitted to determine as eligible, single persons living alone or intending to live alone who do not meet any of the definitions of a family (Ref CFR 5.403). Single persons are only eligible for a one bedroom certificate or voucher.*
6. *Declaration of Citizenship: Section 214 of the Housing and Community Development Act of 1980 prohibits HAs making financial assistance available to a person other than United States citizens, nationals, or certain categories of eligible noncitizens in HUD's assisted housing programs. This law is referred to as the Noncitizens Rule and is effective June 19, 1995.*
7. *Adding a Person to the Program: Once an applicant becomes a participant in the HA's tenant based, the head of household must request permission to add another person to the program (except for birth, adoption or court-awarded custody of a child). The person being added must meet all eligibility requirements before the HA will approve any addition to the tenant-based program.*

SECTION IX. VERIFICATION AND DOCUMENTATION

Families are required to provide Social Security Numbers for all family members age six and older prior to admission, if they have been issued SSN by the Social Security Administration. All members of the family defined above must either:

1. *Social Security Number (SSN): Submit SSN; or sign a certification if they have not been assigned a SSN. If the individual is under 18, the certification must be executed by his or her parent or guardian. If the participant who has signed a certification form obtains a SSN, it must be disclosed at the next regularly scheduled reexamination, or next rent change.*

Verification will be done through the providing of a valid Social Security card issued by the Social Security Administration.

The HA will accept copies of the Social Security card only when it is necessary for the HA to verify by mail the continuing eligibility of participating families.

If an applicant or tenant cannot provide his or her Social Security card; other documents listed below showing his or her Social Security Number may be used for verification. He or she may be required by the HA to provide one or more of the following alternative documents to verify his or her SSN, until a valid Social Security card can be provided;

These documents include:

- *Drivers license, that displays the SSN*

- *Identification card issued by a Federal, State or local Agency*
- *Identification card issued by an employer or trade union*
- *Identification card issued by a medical insurance company*
- *Earnings statements or payroll stubs*
- *Bank statements*
- *IRS Form 1099, or W-2 Form*
- *Benefit award letters from government agencies*
- *Medicaid Cards*
- *Unemployment benefit letter*
- *Retirement benefit letter*
- *Life insurance policies*
- *Court records such as real estate, tax notices, marriage and divorce, judgment or bankruptcy records*
- *Verification of Social Security benefits with the Social Security Administration*

NOTE

If the HA verifies Social Security benefits with the Social Security Administration, the acceptance of the SSN by the Social may be considered documentation of its validity. Applicants may not become participants until the documentation is provided and verified. The applicant will be given a reasonable time, subject to the circumstances, to furnish the documentation before losing their place on the waiting list and the time may be extended, if such circumstances requires an extension, if such circumstances requires an extension. The decision will be made by a HA representative and documented, in writing, and placed in the applicant's file.

2. *Employer Identification Number (EIN) and applicable consent form.*
3. *Additional Documentation that may be required in determining eligibility:*
 - *Temporary Assistance To Needy Families (TANF)*
 - *Birth Certificate, or Drivers License that displays the date of Birth and/or form (s) that are issued by a Federal, State, City or Country Agency that displays the date of Birth*
 - *Child Care Verification*
 - *Credit Reference (History)*
 - *Employer's Verification*
 - *Landlord Verification*
 - *Social Security Benefits*
 - *Assets Verification*

- *Bank Accounts: Checking Accounts \$500 + Balance*
- *Saving Accounts - \$100 + Balance*
- *Marriage Certificate: If a marriage certificate is not available the following information is acceptable*
- *Drivers License that displays the same address and last names*
- *Federal Tax Forms that indicate that the family filed taxes as married couple during the last tax reporting period.*
- *Other acceptable forms of documentation of marriage would include any document that has been issued by a Federal, State, City or Country Government and indicate that the individuals are living as a married couple. Couples that are considered married under common law can provide the same information, as listed above, to document that they are living together as a married couple.*
- *The couple also certificate in their application for housing that they are married.*
- *Personal References: Personal references (other than from family members) may be used when an applicant cannot produce prior rental history records. Personal References must be notarized.*
- *Police Report (s)*
- *Current report from drug treatment centers or facilities*
- *Supplemental Social Security Income (SSI) Benefits*
- *Unemployment Compensation*
- *VA Benefits*
- *Documentation to support medical expenses*
- *Any other reasonable information needed to determine eligibility may be requested by the HA.*

NOTE

For the purposes of this plan, if a member of the current family has committed acts of fraud or has an arrest record, including a drug related arrest, that reflects that the family member may be a danger to the health, safety, or welfare of the community then that person will not be

allowed to be a participant on the program. The HA shall prohibit assistance to any household that includes any individuals who is subject to a lifetime registration requirement under a state sex registration program.

Individuals who have been evicted from any housing complex for engaging in criminal activities, including drug-related criminal activities may be denied assistance.

4. *Separation with Children: Separation means the ending of co-habitation by mutual agreement. If an applicant from a person and has children by that person or former spouse, applicant must provide at least one of the verifications listed below:*
 - A. *A FINAL divorce decree. Applies to individuals who are divorced and not separated and is the only documentation accepted for individuals that are divorced.*

- B. *Receiving court-ordered child support from former spouse.*
- C. *Verification that applicant is pursuing child support through Department of Human Resources, Child Support Unit or Circuit Clerks Office..*
- D. *If applicant is receiving personal child support, then applicant can make arrangements to have the child support paid through the court system, either through the circuit clerks office, Department of Human Resources, or through a court referee.*
- E. *Receiving TANF through the Department of Human Resources for former spouse's children.*
- F. *A notarized statement from current landlord (not family) verifying that the current landlord knows that the applicant and spouse have not lived together for the last six (6) months or more.*
- G. *Income tax statements from both husband and wife indicating both field income taxes separately the last year and that they filed from different addresses.*
- H. *Written statement from Lawyer that applicant has filed suit for divorce because of physical abuse.*
- I. *A written statement from an abuse shelter, law enforcement agencies, social services agencies that applicants needs housing due to physical abuse.*
- J. *Food stamp verification. If no other documentation is available.*

5. *Separation ñ No Children: If applicant is separate from a person and has no children by that person, applicant must provide at least one of the verifications listed below:*

- A. *A FINAL divorce decree. Applies to individuals who divorce and not separate and is the only documentation accepted for individuals that are divorced.*
- B. *A notarized statement from current landlord (not family) verifying that the current landlord knows that the applicants and spouse have not lived together for the last six (6) months or more.*

- C. *Income tax statements from both husband and wife indicating both filed income taxes separately the last year and that they filed from different addresses.*
- D. *Written statement from Lawyer that applicant has filed suit for divorce because of physical abuse.*
- E. *A written statement from an abuse shelter, law enforcement agencies, social services agencies that applicant needs housing due to physical abuse.*
- F. *Food Stamp Verification. If no other documentation is available.*

Note

This section also applies to program participants

- 6. *U.S. Citizenship Verification and Appeal Procedures: The housing authority (HA) must follow the verification procedures (to be provided by HUD) and verify the person or persons declaration of U.S. citizenship through the INS SAVE system.*

Once the verification is completed and verification from the INS SAVE system confirms the declaration of U.S. Citizenship and the applicant (s) meets all other conditions for occupancy, as outlined in the Admissions and Continued Occupancy Policy (ACOP), Section VIII Admissions Eligibility Criteria, or the Section 8 Administrative Plan, Section VIII Section 8 Eligibility Criteria (as appropriate), the application will be processed for assistance.

If the INS SAVE system does not confirm U.S. citizenship, the HA must request that a manual search be conducted of INS records. The HA must request the secondary verification (manual search) by INS within ten calendar days of receipt of the initial failed verification. INS will issue a decision within 30 days of its receipt of the request for a secondary verification. If the secondary verification fails to confirm eligible immigration status, the HA shall notify the family of the right of appeal to INS. If INS is unable to issue a decision within 30 days, the INS will inform the family and the HA of the reasons for the delay. When the HA receives a copy of the INS decision (and the decision does not confirm the declaration of U.S. citizenship), the HA

will notify the family of its right to request an informal hearing. The informal hearing will be conducted in accordance with Section XI.

- A. *Assistance to an applicant may not be delayed, denied, or terminated, if:*
 - 1. *The primary and secondary verification of any immigration documents that were timely submitted has been completed;*
 - 2. *The family member of whom required evidence has not been submitted has moved;*

3. *The family member who is determined not be in an eligible immigration status following INS verification has moved;*
4. *The INS appeals process has not been concluded;*
5. *For a tenant, the HA hearing process has not been concluded;*
6. *Assistance is prorated;*
7. *Assistance for a mixed family is continued*

B. Assistance to an applicant shall be denied, and a tenant's assistance shall be terminated, upon the occurrence of any of the following:

1. *Evidence of citizenship (i.e. the declaration) is not timely submitted;*
2. *Evidence of citizenship and eligible immigration status is timely submitted but INS primary and secondary verification does not verify eligible immigration status;*
3. *The family does not pursue INS appeal or HA informal hearing rights:*
4. *INS appeal and informal hearing rights are pursued, but the final appeal or hearing decisions are decided against the family member.*

C. Notice must be given to the family and shall advise:

1. *The financial assistance or housing will be denied or terminated, and provide a brief explanation of the reasons:*
2. *That they may be eligible for proration of assistance:*
3. *In the case of a tenant, the criteria and procedures for obtaining relief for mixed families and other families: and,*

4. *Any future appeal rights have been exercised.*

8. *Criminal Records Management Policy: All adult applicants and tenants shall complete and i Authorization for Release of Police Recordi. The HA shall request an National Crime Information Center (NCIC) check for criminal history for an applicant or tenant. Applicants and tenants may be requested to furnish fingerprints for this purpose through the local law enforcement office to be sent to the FBI. NCIC information shall be furnished to the HA pursuant to the agreement between the U.S. Department of Housing and Urban Development*

and the U.S. Department of Justice Regarding Access to National Crime Information Center Data.

For the purpose for screening applicants, lease enforcement and eviction the HA of its Agents will attempt to obtain NCIC reports and any police records from law enforcement agencies related to a persons criminal conviction records for persons eighteen (18) years of age or older. The HA may also request this information for juveniles, to the extent that the release of such information is not prohibited by State, local, or tribal laws.

Before the HA takes any adverse action based on a criminal conviction record the HA or its Agents must provide the applicants or tenant with a copy of the criminal records and an opportunity to dispute the accuracy or relevancy of the record. For applicants, the copy will be provided at a hearing. The hearing is afforded to each applicant that is denied admission and provides the applicant the opportunity to dispute any information used to deny and applicant housing assistance. For participants, the copy will be provided in accordance with the HA's Informal Review or Hearing Procedure.

The HA will keep all criminal records received confidential and not misuse or improperly disseminate the information. Criminal records of any adult applicant/tenant which are used as the basis of denying tenancy or eviction confidential and shall not be disclosed to any person or entity other than for official use or for use in court proceedings. The term "adult" means a person who is 18 years of age or older, or who has been convicted of a crime as an adult under any Federal, State, or tribal law. Said records shall be maintained in separate files and shall be kept in a locked, secure location. Access shall be limited to those employees approved by the Executive Director.

Records shall be destroyed once action is taken and any grievance procedure, or court proceeding is completed. A notice for record destruction shall be maintained in a separate file.

The HA will work through their local law enforcement agencies to obtain information from NCIC. Also, the HA may pay reasonable fees charged by law enforcement agencies that provide the information. The applicant or tenant may not be charged for any expenses related to the investigation.

SECTION X GROUND FOR DENIAL OR TERMINATION OF ASSISTANCE

- 1. Denied Admission: The HA may deny an applicant admission to participate in the Section 8 Program or, with respect to a current participant, may refuse to issue another Certificate or Voucher for a move to another unit, approve a new lease, or execute a*

new Contract for the Section 8 participant, if the applicant or participant: (Ref.: 24 CFR 982.552).

- A. *Owes rent, other amounts, or judgement to any HA or any other federally subsidized housing program, the applicant will be declared ineligible. At the HA's discretion, the applicant may be declared eligible upon payment of the debt, with the date and time of application being the time for payments and meeting other criteria.*

NOTE

Applicants that owe a HA or any other federally subsidized programs funds will not be processed for receiving assistance. The applicant must pay the funds owed prior to the application being processed. Re-paying funds that are due does not necessarily qualify an applicant for housing assistance. Such payments will be considered along with other factors in the application process. Any money owed to a HA which has been discharged by bankruptcy shall not be considered in making this determination.

- B. *As a previous participant in the Section 8 Program or as a participant in the Public Housing Program, the applicant has not reimbursed the HA or another HA for any amounts paid to an owner under a housing assistance contract for rent or other amounts owed by the Family under its lease and for a vacated unit.*
- C. *Has violated any Family obligation listed on the certificate or voucher.*
- D. *Engage in drug-related criminal activity or violent criminal activity, including criminal activity by the Family member. (Reference 24 CFR 982.553(a)(1)(2).*
- E. *Breaches a repayment agreement to the HA and/or owner.*
- F. *Committed acts which would constitute fraud in connection with and/or has been evicted from any federally assisted housing program.*
- G. *Did not provide information required within the time frame specified (the applicable dates are contained in the letters from the HA to the applicant) in during the application process.*
- H. *The HA shall deny the admission of a Family, if the applicant, or any member of the applicant's family does not sign and submit consent forms that are provided by the HA for the purpose of verifying employment and income information.*
- I. *The applicant family must have properly completed all application requirements, including verifications. Misrepresentation of income, family*

composition or any other information affecting eligibility, will result in the family being declared ineligible. In the event the misrepresentation in admission, the assistance will be terminated for such misrepresentation.

- J. The applicant and all adults must sign a release allowing the HA to request a copy of a police report from the National Crime Information Center, Police Department of other law Enforcement Agencies. The applicant and all adults further agree to provide fingerprints if requested. If the HA uses the information to deny or terminate assistance the HA must provide a copy of the information used upon proper request.*
- K. If the applicant is a former Public Housing or Section 8 participant who vacated the unit in violation of program requirements, the applicant may be declared ineligible.*
- L. If the Ha determines that a person is illegally using a controlled substance or abuses alcohol in a way that may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents. The HA may waive this requirement if:*
 - 1. The person demonstrates to the HA's satisfaction that the person is no longer engaging in drug-related criminal activity or abuse of alcohol:*
 - 2. has successfully completed a supervised drug or alcohol rehabilitation program:*
 - 3. has otherwise been rehabilitated successfully; or*
 - 4. is participating in a supervised drug or alcohol rehabilitation program*
 - 5. if any household includes any individual who is subject to a lifetime registration requirement under a stated sex offender registration program.*

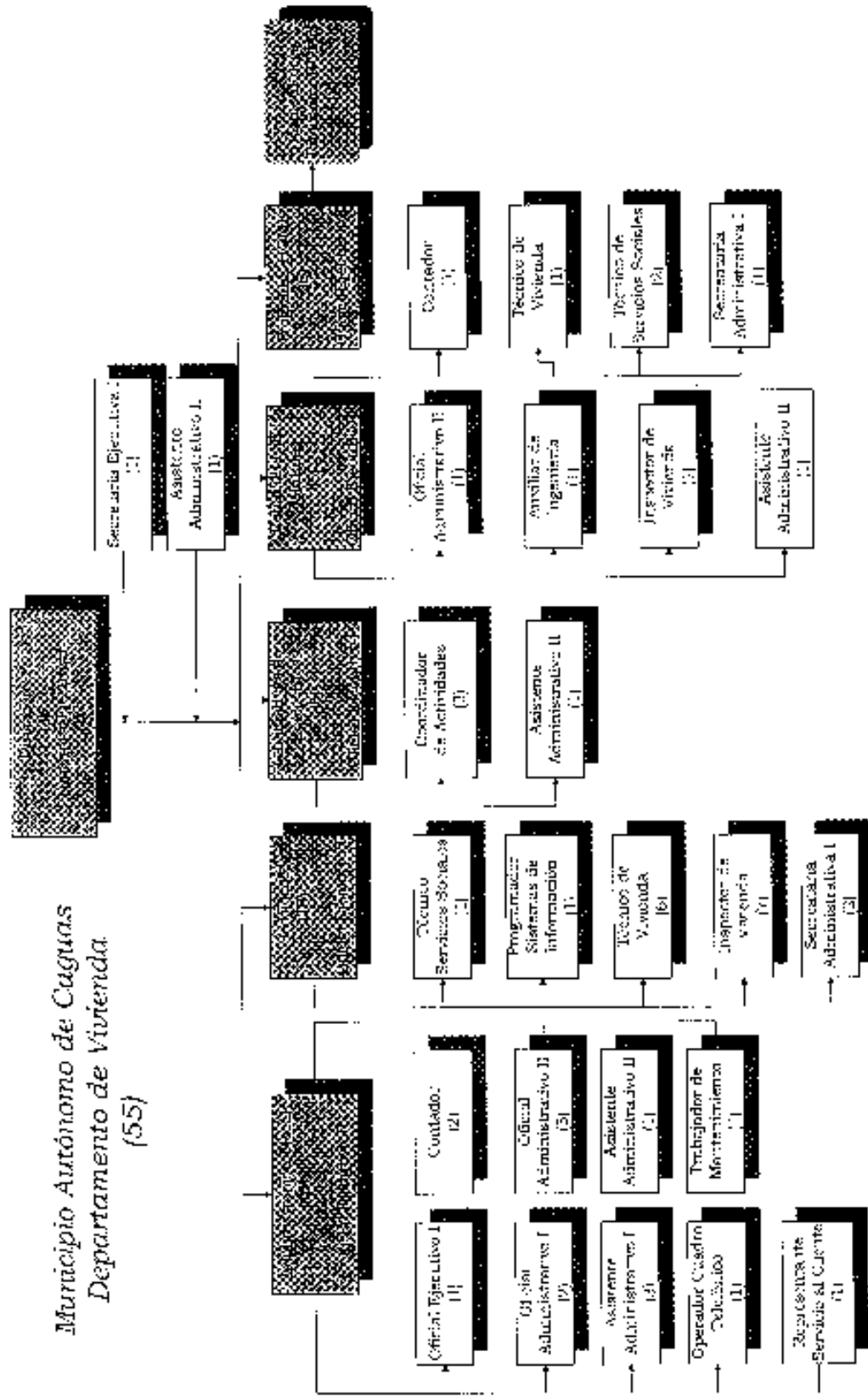
- 2. Notification of Denial: If a applicant is denied admission the HA will notify the applicant, in writing, of its determination and inform the applicant that they have an opportunity for an informal review on such determination. The denial letter will allow the applicant ten (10) calendar days to request an informal review (verbal and/or writing) with the HA. (Reference Section XI)*
- 3. Times Frames for Denial: As a general rule applicants may be denied admissions to the Section 8 Program for the following times frames, which shall begin on the date of application, unless otherwise provided for the herein below:*

- A. *Denied admission for one year for violation of certificate/voucher and illegal use, or possession for personal use, of a controlled substance or alcohol.*
- B. *Denied admission for three (3) years for the following:*

Persons evicted from public housing, Indian Housing, Section 8, or Section 23 programs because of drug-related criminal activity are ineligible for admission to public housing for a three-year period beginning on the date of such eviction.

The HA can waive this requirement if: the persona demonstrate to the HA's satisfaction successful completion of a rehabilitation program approved by the HA, or the circumstances leading to the eviction no longer exist.
- C. *Denied admission for five (5) years for the following:*
 - 1. *Fraud (giving false information on the application is considered fraud).*
 - 2. *An arrest or conviction record that indicates that the applicant may be a threat and/or negative influence on other residents. The five years shall begin on the date of the last reported act, completion of sentence and/or probation period.*
- D. *Denied admission for ten (10) years for a conviction of Drug Trafficking..*
- E. *Denied admission for life to any household that includes any individual who is subject to a lifetime registration requirement under a stated sex offender registration program.*
- F. *Denied admission for life to any persona who has been convicted of manufacturing or producing methamphetamine (commonly referred to as "speed") on the premises of the assisted housing. Premises is defined as the building or complex in which the dwelling unit is located, including common areas and grounds.*

(55)



MUNICIPIO AUTONOMO DE CAGUAS

**DEPARTAMENTO DE VIVIENDA
PROGRAMA DE VIVIENDA JUSTA**

SECCION 8



MUNICIPIO AUTONOMO DE CAGUAS
DEPARTAMENTO DE VIVIENDA
PROGRAMA DE VIVIENDA JUSTA- SECCION 8

POLITICA OFICIAL ANTI-DISCRIMEN

#VIV-S8-1

En concordancia con las disposiciones federales y las regulaciones que emanan del Título VI de la Ley de Derechos Civiles de 1964 (P.L. 88352); el Título VIII de la Ley de Derechos Civiles de 1968 (P.L. 90284); las Ordenes Ejecutivas Federales 11063, 11246 y 11294; la Sección 3 de La Ley de Desarrollo de Vivienda Urbana (HUD); la Sección 504 de la Ley de Rehabilitación de Vivienda y otras disposiciones y regulaciones federales y estatales que hacen referencia al mismo tema, declaramos que es La Política Oficial del Municipio Autónomo de Caguas, en cuanto a discrimen, la siguiente:

El Municipio Autónomo de Caguas garantiza:

1-Que ninguna persona será excluída de participación, ni se le negarán los beneficios de tal participación por motivos de:

- a-Raza
- b-Color de la piel
- c-Nacionalidad
- d-Preferencia religiosa
- e-Estado civil o familiar
- f-Edad
- g-Incapacidad física
- h-Condición social
- i-Educación
- j-Veteranía militar, o
- k-Preferencia política,

Y, que de ocurrir, se tomarán las medidas necesarias y a la mayor brevedad posible para corregir la situación y la causa.

#VIV-S8-1

- 2-Que administrará sus programas y actividades relacionadas a la Vivienda pública de tal manera que promueva la Vivienda Justa afirmativamente
- 3-Que toda vivienda para uso público y sus facilidades estarán sujetas a estas disposiciones anti-discrimen
- 4-Que al establecer sus criterios para la selección de inquilinos no se establecerán prioridades en base a la localización de la vivienda o el tiempo del solicitante como residente en la jurisdicción sino que todo residente tendrá el mismo derecho en todo lugar
- 5-Que los residentes o empleados de desarrolladores de una localidad a ser desarrollada con fondos federales tendrá la oportunidad de solicitar unidades de vivienda en el mismo proyecto rehabilitado en que trabajaron
- 6-Que ejercerá toda la autoridad a la mano para que no exista el discrimen en cuanto a empleo de personas para la administración de los programas de Vivienda del Municipio Autónomo de Caguas o proyecto auspiciado por el mismo cuyo valor exceda \$10,000.00 en fondos federales
- 7-Que requerirá de los contratistas de proyectos financiados con fondos federales que hagan un esfuerzo genuino por emplear en el desarrollo de dichos proyectos a obreros residentes del área a desarrollarse y que se utilizen, de la misma forma, suplidores de materiales y servicios del área en cuestión
- 8-Que tomará todas las medidas necesarias para adiestrar todo personal del Municipio Autónomo de Caguas o sus asociados en cuanto a su responsabilidad en el diseño, desarrollo, habilitación y política pública relacionada con la eliminación de barreras arquitectónicas que impidan la accesibilidad de personas con impedimentos físicos a toda facilidad, y en especial, de vivienda

MUNICIPIO AUTONOMO DE CAGUAS
DEPARTAMENTO DE VIVIENDA
PROGRAMA DE VIVIENDA JUSTA- SECCION 8

POLITICA OFICIAL DE AYUDA AL DISCRIMINADO

#VIV-S8-2

El Municipio Autónomo de Caguas se compromete a atender diligentemente todo reclamo de alegada discriminación de parte de sus participantes relacionada con la compra o alquiler de vivienda que ocurra dentro de su jurisdicción, prestando mayor atención al siguiente procedimiento. Cuando una persona cree que ha sido discriminada o que sus derechos han sido violados con relación a vivienda, debe proceder de acuerdo al siguiente procedimiento para poder dar curso a su reclamación con la premura requerida.

- 1-Completar el formulario #HUD-903A (“Queja Por Discriminación En La Vivienda”), firmarlo y:
 - a-Entregarlo a uno de nuestros representantes en el Departamento De Vivienda Municipal
 - b-El funcionario le proveerá una copia del formulario además de entregarle un recibo firmado y fechado por él (ella) como constancia de haberlo recibido y en que fecha
 - c-El querellante puede optar por dirigir su queja directamente al Departamento de Desarrollo Urbano Y Vivienda Federal (HUD) ya sea por escrito o por teléfono en cuyo caso nuestra oficina de Vivienda Municipal no tendrá los datos necesarios a la mano para darle seguimiento a su caso a menos que el querellante opte por proveer una copia de forma voluntaria.
- La Dirección del Departamento de Desarrollo Urbano y Vivienda federal para este propósito es:

Office of Fair Housing and Equal Opportunity
U.S. Department of Housing and Urban Development
Room 5204
Washington, D.C. 20410-2000

#VIV-S8-2

Para reportar por teléfono:

Federal (libre de cargo) el 1-800-669-9777 lo que debe hacerse de un teléfono de teletex. La llamada será contestada en inglés o en español de acuerdo a su preferencia.

En San Juan, (Vivienda Estatal) es el 787-766-6401

Si necesita un teléfono especial para incapacitado auditivo lo son el 1-800-92709275 en Estados Unidos y el 787-766-5909 en San Juan Puerto Rico.

HUD también provee ayuda para personas con otros tipos de impedimentos físicos relacionados con el lenguaje (idioma), ciegos y analfabetas entre otros.

- 2-Una vez la queja es reportada, el Municipio Autónomo de Caguas:
- a-Notificará al supuesto discriminante y le permitirá presentar su versión del caso, de la cual se tomará el mayor número posible de notas sustantivas y,
 - b-Asignará un investigador interno al caso quien,
 - c-Investigará la queja y determinará si existe causa probable contra el discriminante por la alegada discriminación quien,
 - d-Tratará de completar una investigación dentro de los próximos 60 días después de presentada la queja por escrito y,
 - e-Tratará de llegar a un acuerdo con el querellado (discriminante) para que subsane el agravio de la manera más adecuada para todas las partes envueltas después de aceptar que eliminará la práctica discriminatoria.
 - f-Si se firma un acuerdo de conciliación (la acción a tomar por el querellado) el Municipio Autónomo de Caguas hará todo lo que esté a su alcance porque se cumpla y por proteger los derechos e interés del demandante y de la ciudadanía en general.
 - g-Si se diera el caso de que se viola el acuerdo o no se llega a ninguno, se referirá el caso al Departamento de Desarrollo Urbano y Vivienda Estatal para su proceso adecuado en cuyo caso HUD asumirá la responsabilidad de alcanzar una determinación sobre el caso.

h-El Departamento de Vivienda del Municipio Autónomo de Caguas sin embargo se compromete a darle seguimiento a las gestiones de HUD en cada caso para mantener sus expedientes al día y para poder informar al querellante en cuanto a su reclamación.

3-Si el querellante necesitara ayuda inmediata para detener un problema grave causado por una violación a la ley de Vivienda Justa, el Departamento de Vivienda del Municipio Autónomo de Caguas referirá su querrela a la Oficina de Desarrollo Urbano y Vivienda Estatal inmediatamente para que asuman control del mismo y puedan utilizar todos los recursos de ley a los que tienen acceso.

TANTO EL DEPARTAMENTO DE VIVIENDA DEL MUNICIPIO AUTONOMO DE CAGUAS COMO LAS OFICINAS DE DESARROLLO URBANO Y VIVIENDA ESTATAL O FEDERAL (HUD), EVALUARAN LAS QUERELLAS POR DISCRIMEN EN BASE A OCHO (8) TIPOS DE ESTA INDOLE CONTEMPLADOS POR LA LEY DE VIVIENDA JUSTA:

- 1-Negarse a venderle, rentarle o negociar con usted una vivienda
- 2-Discriminar contra usted relacionado a las condiciones o términos de venta, renta o posesión de una vivienda
- 3-Negarle, con falsas alegaciones, una vivienda que está disponible
- 4-Anuncios o publicidad discriminatoria
- 5-Forzarle o causar que una persona venda o rente una vivienda o propiedad por decirle que personas de ciertos grupos se estan mudando al vecindario de la propiedad
- 6-Discriminar en la tasación o financiamiento de vivienda de parte de un banco, asociación de ahorros y préstamos, cooperativas u otras instituciones financieras (como cargos adicionales)
- 7-Negarle participación o acceso a las listas de bienes raíces u otros servicios de agentes de ventas de vivienda
- 8-Interferir, obligar, forzar, amenazar o intimidar a una persona para que no obtenga todos los beneficios de la ley y/o para que no se queje de una violación a la misma

MUNICIPIO AUTONOMO DE CAGUAS
DEPARTAMENTO DE VIVIENDA
PROGRAMA DE VIVIENDA JUSTA- SECCION 8

**POLITICA OFICIAL PARA CONSEGUIR
UNA VIVIENDA ASEQUIBLE**

#VIV-S8-3

Para asegurarnos que todo solicitante tiene la misma oportunidad para obtener una vivienda adecuada, o ayuda para rehabilitarla, el Departamento de Vivienda del Municipio Autónomo de Caguas ha establecido la siguiente como la política oficial hacia ese propósito:

A-A todo solicitante de ayuda para vivienda se le garantizan sus derechos de aspirar a obtener una vivienda justa a través de nuestra “Política Oficial Anti-Discrimen” (#VIV-S8-1).

B-De la misma forma, al solicitante se le garantiza que recibirá la ayuda necesaria en sus reclamaciones anti-discrimen de acuerdo a nuestra “Política Oficial de Ayuda al Discriminado” (#VIV-S8-2)

C-El Departamento de Vivienda del Municipio Autónomo de Caguas promoverá su programa de vivienda pública de una manera responsable para interesar a los dueños de propiedades cualificadas en su utilización para vivienda pública y así aumentar nuestro inventario de viviendas disponibles.

D-El Departamento de Vivienda del Municipio Autónomo de Caguas promoverá nuestro programa de vivienda pública ante las instituciones financieras de forma enérgica para facilitar el financiamiento de vivienda para aquellos solicitantes que deseen obtener una vivienda a un precio y costos de compra razonables

E-El Departamento de Vivienda del Municipio Autónomo de Caguas utilizará todos los recursos a su alcance para interesar ala empresa privada, y en especial a los contratistas, en el desarrollo de nueva vivienda, a precio razonable para nuestros ciudadanos de recursos limitados que deseen adquirirlas

#VIV-S8-3

F-El Departamento de Vivienda del Municipio Autónomo de Caguas conducirá charlas educativas en nuestros centros comunitarios y en comunidades marginadas con el propósito de educar a nuestros ciudadanos en cuanto a sus derechos para obtener vivienda y el procedimiento para lograrlo.

G-El Departamento de Vivienda del Municipio Autónomo de Caguas visitará nuestros colegios y universidades de la jurisdicción con el propósito de ofrecer charlas orientadoras sobre vivienda a nuestra población estudiantil sobre sus oportunidades futuras de obtener vivienda, pública o privada, en nuestra comunidad

H-El Departamento de Vivienda del Municipio Autónomo de Caguas publicará periódicamente en los rotativos de circulación local las oportunidades de vivienda existentes a través del departamento y como tener acceso a las mismas

I-El personal del Departamento de Vivienda del Municipio Autónomo de Caguas se mantendrá debidamente adiestrado en sus funciones para que puedan rendirlas en una forma eficiente, cortés y efectiva. Para lograr ese propósito ofreceremos seminarios apropiados y/o se les dará la oportunidad para que asistan a aquellos que estén directamente relacionados con adquirir o mantener sus pericias funcionales. En adición, nuestro personal:

- 1-Se mantendrá en un número adecuado para atender a los solicitantes en el mínimo de tiempo posible
- 2-Será responsable por verificar la información suministrada por el solicitante, requerirle a tiempo aquella que sea necesaria para mantener su caso activo y por crearle un expediente informativo del caso para referencia continua por cualquier persona adecuada
- 3-Le dará seguimiento continuo para asegurarse de que el solicitante participa de todas las oportunidades disponibles de acuerdo a sus necesidades, sus recursos y la lista de espera existente
- 4-Mantendrá al solicitante informado de la situación de su caso en todo momento que ocurra un cambio en el mismo o cuando el solicitante así lo requiera

MUNICIPIO AUTONOMO DE CAGUAS
DEPARTAMENTO DE VIVIENDA
PROGRAMA DE VIVIENDA JUSTA- SECCION 8

**POLITICA OFICIAL DE ACCIONES CORRECTIVAS POR
HOSTIGAMIENTO SEXUAL O VIOLACION RELACIONADO AL
PROGRAMA DE VIVIENDA**

#VIV-S8-4

El Departamento de Vivienda del Municipio Autónomo de Caguas se compromete a atender toda alegación de hostigamiento sexual o violación de una manera responsable y firme. Este principio aplicará por igual irrespectivamente de quien sea la víctima o el victimario siempre y cuando se pueda establecer una relación contractual de vivienda como sigue:

- De un dueño o dueña a un inquilino o inquilina
- De un inquilino o inquilina a un dueño o dueña
- De un inquilino o inquilina a un empleado o empleada (del dueño o dueña)
- De un empleado o empleada (del dueño o dueña) a un inquilino o inquilina

De no poderse establecer una de estas cuatro relaciones contractuales se debe entender que el caso de hostigamiento, de existir, no está cubierto por las “Acciones Correctivas” que se presentan a continuación.

Una vez establecida la validez de la alegación, el Departamento de Vivienda del Municipio Autónomo de Caguas:

1-Solicitará de la alegada víctima que presente su alegación por escrito para lo que le brindará toda la ayuda técnica y profesional necesaria para este propósito, de ser necesario. Se les solicitará la información básica necesaria que incluye:

- a-Nombre de la víctima (si más de una, deberá someter la alegación por separado)
- b-Nombre del victimario (hostigador o violador)
- c-Lugar, hora y naturaleza de los hechos
- d-Tipo de ofensa

#VIV-S8-4

e-Testigos de la alegación, si alguno

f-Descripción de los hechos

g-Razones para conceptualizarlos como un caso de hostigamiento

h-Acciones tomadas por la víctima para que se descontinúe con la práctica

i-Cualquier otra información pertinente que pueda servir para tomar la acción correctiva necesaria.

2-Una vez se tenga la información necesaria se procederá a comunicar el caso a un técnico en la materia de nuestro Departamento de Asuntos de la Familia para decidir como proceder con el caso de acuerdo a su naturaleza

3-De acuerdo a las circunstancias del caso, el técnico del Departamento de Asuntos de la Familia podrá sugerir varias alternativas para proceder con el caso como:

a-Comunicarse con el ofensor (victimario) para tratar de obtener una acción de “cese y desista” de su parte en el caso

b-Remover a la familia participante del lugar de los hechos y moverlo a otra vivienda aunque sea de caracter provisional. (Cuando el participante es el ofensor existen otras medidas adicionales más adelante)

c-Reportar el caso a autoridades superiores del Municipio o del Departamento de la Vivienda Estatal o Federal

d-Cancelar el contrato con el dueño o dueña de la vivienda (cuando el dueño(a) es el ofensor)

e-Solicitar al dueño(a) de la propiedad que tome las medidas correctivas necesarias con su(s) empleado(s) so pena de perder su(s) contrato(s). (Cuando un empleado(a) del dueño(a) es el ofensor).

f-Cancelar los beneficios de vivienda del participante (cuando el o ella o un miembro de su familia es el ofensor)

g-Mantener un expediente de casos de hostigamiento y/o violación así como un historial de hostigamiento y/o violación en el expediente del ofensor ya sea dueño o participante, que sirva de referencia a futuros usuarios de dichos expedientes.

#VIV-S8-4

MUNICIPIO AUTONOMO DE CAGUAS
DEPARTAMENTO DE VIVIENDA
PROGRAMA DE VIVIENDA JUSTA- SECCION 8

**PROCEDIMIENTO PARA AYUDAR A LAS FAMILIAS CON
IMPEDIDOS A CONSEGUIR VIVIENDA**

#VIV-S8-5

Reconociendo que una familia con impedidos o un individuo con impedimentos tienen necesidades particulares que pueden requerir ayuda especial para obtener vivienda, el Departamento de Vivienda del Municipio Autónomo de Caguas ha establecido las siguientes pautas conducentes a proveer esa ayuda:

- A-Mantenerse en constante contacto con la Oficina de Ayuda al Impedido de nuestro Municipio para estar informados de lo más reciente en cuanto a necesidades, leyes, datos censales y otra información pertinente que nos pueda ayudar a servirle mejor a esta población especial
- B-Incluir en nuestra “Política Oficial Para Conseguir Una Vivienda Asequible (#VIV-S8-3) los parámetros necesarios para la población de impedidos de nuestra jurisdicción enfatizando las ventajas que representa para ellos el proveerles vivienda adecuada a sus necesidades
- C-Adiestrar a nuestro personal en reconocer las necesidades específicas de los impedidos y como manifestar esas necesidades a los dueños de vivienda disponible y otras organizaciones concernientes
- D-Educar a los dueños de vivienda y a los desarrolladores de nueva vivienda en la importancia de proveer para satisfacer las necesidades de la población de impedidos, sus responsabilidades legales y las ventajas promocionales al satisfacer esas necesidades

#VIV-S8-5

E-Proveer y mantener en el Departamento de Vivienda del Municipio Autónomo de Caguas un sistema que facilite la comunicación al impedido con problemas auditivos para solicitar ayuda o informarse acerca de su caso

F-Hacer que se cumpla la ley en los casos de discrimen contra el impedido que ocupe una vivienda o cuando el dueño de la vivienda no acceda a modificaciones necesarias y permitidas por ley o a las normas, prácticas o servicios necesarios para que el impedido pueda utilizar la vivienda

G-Asegurar que el impedido discriminado reciba todos los beneficios de nuestra “Política Oficial de Ayuda al Discriminado”(#VIV-S8-2)

MUNICIPIO AUTONOMO DE CAGUAS
DEPARTAMENTO DE VIVIENDA
PROGRAMA DE VIVIENDA JUSTA- SECCION 8

**POLITICA OFICIAL PARA DESCONCENTRAR LOS
PARTICIPANTES DE LAS AREAS DE POBREZA**

#VIV-S8-6

A-El Departamento de Vivienda del Municipio Autónomo de Caguas mantendrá un constante sistema de acercamiento con las comunidades y ciudadanos de ingresos limitados haciendo uso de las siguientes prácticas:

- 1-Publicaciones informativas en los rotativos diarios (al momento de esta redacción lo componen “El Vocero” y “El Nuevo Día”) además de semanarios locales (actualmente “La Semana”)
- 2-Mantener una existencia adecuada de material informativo de nuestro programa de vivienda en la forma de circulares, folletos, afiches y hojas sueltas
- 3-Prestarle atención especial a los grupos con menos oportunidad de solicitar servicios como lo son los envejecientes de 62 años en adelante y los impedidos
- 4-Mantener una estrecha relación con la Oficina de Servicios al Impedido del Departamento de Servicios a la Familia para estar al tanto de las constantes necesidades de Vivienda de esa comunidad
- 5-Mantener un contacto continuo con la prensa radial y escrita para publicar las oportunidades de vivienda dirigida a los grupos más necesitados
- 6-Promover programas de financiamiento agresivos con la empresa privada con el fin de facilitar el acceso a los fondos necesarios para las comunidades en desventaja económica

#VIV-S8-6

- 7-Adiestrar el personal de nuestro Departamento para que se mantenga alerta a las oportunidades de vivienda dentro y fuera de nuestra jurisdicción para prestar la mayor cantidad de ayuda posible a estas comunidades
- 8-Rehabilitar áreas de vivienda que representan un mejoramiento de calidad de vida para los habitantes de comunidades en desventaja y facilitarles, con oportunidades atractivas, el que puedan mudarse a esas áreas rehabilitadas
- 9-Contactar a los dueños de vivienda en áreas mejoradas ofreciéndoles incentivos atractivos para mejorar las propiedades en desuso o decadencia y utilizarlas para vivienda adecuada para ciudadanos en desventaja económica
- 10-Preparar, mantener, explicar y entregar a los solicitantes de servicios de vivienda, un paquete informativo de servicios y de derechos donde encuentren respuestas primarias a sus preguntas y a la vez puedan transmitir la información a sus familiares y amigos
(Ver cláusula 1 Programa de Orientación y Consejo sobre Discrimen en Asuntos de Vivienda #VIV-S8-7)

MUNICIPIO AUTONOMO DE CAGUAS
DEPARTAMENTO DE VIVIENDA
PROGRAMA DE VIVIENDA JUSTA- SECCION 8

**PROGRAMA DE ORIENTACION Y CONSEJERIA SOBRE
DISCRIMEN EN ASUNTOS DE VIVIENDA**

#VIV-S8-7

El Departamento de Vivienda del Municipio Autónomo de Caguas mantendrá activo y actualizado un programa de orientación para todo ciudadano u organización pública o privada que desee obtenerlo. Este programa estará dirigido a proveer al solicitante toda la información necesaria que le ayude a tomar decisiones responsables en asuntos de discriminación relacionados a la vivienda.

Dicho programa consistirá de lo siguiente:

- 1-Desarrollar seminarios de orientación a todo solicitante en cuanto a los contratos de arrendamiento y las provisiones permitidas y no permitidas en los mismos
- 2-Preparar y actualizar material informativo sobre discriminación en la vivienda y como detectarlo y notificarlo para tomar las medidas necesarias de prevención y corrección e incluir además información alusiva a los derechos y servicios a los que tiene derecho el solicitante de los mismos. Este material puede consistir de folletos, hojas sueltas, boletines informativos, publicaciones, carteles, circulares, afiches y recordatorios. El material se pondrá a la disposición del solicitante de servicios o de información en la forma de un “paquete informativo” que pueda llevar consigo a su casa
- 3-Utilizar los medios de radio y televisión para que en sus tiempos determinados para “servicio público” nos reserven unos espacios que nos ayuden a orientar a la ciudadanía en cuanto a discriminación en la vivienda. Esto se hará en colaboración con los medios y utilizando el material desarrollado por el Departamento de Vivienda del Municipio Autónomo de Caguas

#VIV-S8-7

- 4-Desplegar carteles alusivos en lugares públicos como tablon de expresión pública, el Complejo Deportivo, el Pabellón de las Artes, hospitales, teatros, cines, edificios de servicios públicos municipales y estatales y otros similares
- 5-Solicitar la ayuda de la empresa privada y eclesiástica para que nos permitan desplegar carteles similares en sus facilidades de alto patrocinio (como supermercados, bancos comerciales, iglesias, hospitales y otros similares) como un servicio adicional a la ciudadanía que sirven
- 6-Proveer los medios necesarios para que la persona que se siente discriminada se pueda sentir cómoda y en confianza proveer la información necesaria para el proceso adecuado de su reclamación

*MUNICIPIO AUTONOMO DE CAGUAS
DEPARTAMENTO DE VIVIENDA
UNIDAD SUBSIDIO DE RENTA*

*HOJA DE ASISTENCIA
MIERCOLES 21 DE MARZO DE 2001*

1. *Juana L pez Ramos*
2. *Cruz Figueroa D az*
3. *Maribel Vega Ortiz*
4. *Carmen S nchez S nchez*
5. *Gricel Camacho P rez*
6. *Marta P rez de Jes s*
7. *Nancy Rodr guez*
8. *Mar a Miranda B ez*
9. *Gladys Neifa*
10. *Wilnelia Maldonado*
11. *Aida Berr os*
12. *Mayra L pez Bonilla*
13. *Juana Rivera*
14. *Carmen Rivera*
15. *Luz Neyda Rojas*
16. *Jos  J. Maldonado*
17. *Rosa M. Gonz lez Mart nez*
18. *Cecilia Santiago Pereira*
19. *Sandra Segarra*
20. *Mar a S. Nieves*
21. *Mar  Mart nez Nieves*
22. *Doris Lugo Gozalez*
23. *Norma Cruz Rol n*
24. *Altagracia Tejeda*
25. *Edda Ortiz*
26. *Abigail Gonz lez de Le n*
27. *Angelina D az Cort s*

28. *HÈctor M. Aguil`*
29. *Gloria M. Gonz`lez*
30. *MarÌa S. de Jes`s*
31. *Luis Marcano SaurÌ*
32. *Marcelo RodrÌguez*
33. *Mercedes Soto Rosario*
34. *MarÌa A. Gonz`lez Soto*
35. *Wand Guzm`n VÈlez*
36. *Sonia BenÌtez Cotto*
37. *Maritza Ramos*
38. *Santos Mart`nez Nieves*
39. *Eduardo DÌaz LÙpez*
40. *Ana M. S`nchez*
41. *William Flores*
42. *Eusebia ColÙn Guzm`n*
43. *HÈctor Puchales BerrÌos*
44. *Ive GarcÌa*
45. *Luz Divina Cruz RodrÌguez*
46. *Johnny Couvertier Sosa*
47. *CÈida Ortiz*
48. *Marilyn LÙpez*
49. *MarÌa Victoria Torres*
50. *Lilliam Navedo*
51. *Judith Galarza*
52. *Zoraida Hern`andez*
53. *Emilio Ortiz*
54. *Eulalia Hern`andez*
55. *Mercedes MontaÒez*
56. *Petra Merced*
57. *Marisol Cotto*
58. *Miriam MejÌas Soto*
59. *Clara L. PÈrez*
60. *Arleene S`nchez*
61. *Sonia Santiago*
62. *Mildred Oyola*

63. *Gloria Cruz Garc a*
64. *V ctor Rold n*
65. *Carmen Santiago*
66. *Luz D. Cabezudo*
67. *Amy Oyola*
68. *Wanda Monta ez*
69. *Fel cita Estrada*
70. *Jenny V lez*
71. *Isabel Orta Morales*
72. *Yetzy A. Lebr n*
73. *Santa Mulero*
74. *Rosa D az*
75. *Iris B ez*
76. *Migdalia Lebr n*
77. *Sixto Bruno Rivera*
78. *Sylvia Santiago*
79. *Marisol Castro Soto*
80. *Virgen M. Resto Soto*
81. *Jos  A. Vel zquez Monta ez*
82. *Angelina Estrada*
83. *Gladys Lizardi Rodr guez*
84. *Mary Rodr guez Lizardi*
85. *Lourdes V zquez*
86. *Camen Aldea*
87. *Ana Rodr guez*
88. *Sonia I. Rom n Mojica*
89. *Irma N. Rom n*
90. *Mar a D. Torres Rojas*
91. *Maril  Arroyo*
92. *Brenda L. Sosa*
93. *Milagros Monta ez*
94. *Danelys Rivera Col n*
95. *Ivette Alamo Rodr guez*
96. *Juanita Rodr guez*
97. *Lucile V zquez B ez*

98. *Carmen Reyes Rodr guez*
99. *Luz M. Rodr guez*
100. *Janice Rivera*
101. *Mariana Barre Hern andez*
102. *Rita Guzm n*
103. *Manuela Mart nez*
104. *Mar a Vel zquez*
105. *Minerva Quintana*
106. *Francisca Marrero Cruz*
107. *Maribel Alvarez Hern nez*
108. *Wanda Rivera V lez*
109. *Mar a J. Rodr guez Oquendo*
110. *Josefina Ofarril*
111. *Angela L pez*
112. *Jos  Rodr guez*
113. *Mar a I. Osorio Cubi*
114. *Iris Ocasio Torres*
115. *Otilia Torres Morales*
116. *Gladys L pez*
117. *Carmen L. Cintr n*
118. *Marta Tosado*
119. *Mar a Guzm n Rivera*
120. *Maria L. Gonzalez*
121. *Angelina Miranda*
122. *Jackeline Merced*
123. *Miguel Ayala P rez*
124. *Mar a Alamo Rom n*
125. *Lizzette Vel zquez*
126. *Mar a Ortiz*
127. *Elizabeth Font nez*
128. *Daniel Rom n Pag n*
129. *Bethzaida Fonseca D az*
130. *Carmen F lix*
131. *Frances Charlesman*
132. *Sylvia Orizal Mart nez*

133. *Dolores Roque Rodríguez*
134. *Mirna Rodríguez Jiménez*
135. *Minvera Torres Rodríguez*
136. *Deborah Velázquez*
137. *Waleska Estrada Guadalupe*
138. *Jorge I. Guzmán Sánchez*
139. *Harry Benítez Laguna*
140. *Blanca Santana Rolón*
141. *Asunción Rivera Flores*
142. *Juana Dingul*
143. *Sonia Cotto González*
144. *Wanda Figueroa Tirado*
145. *María Reyes Rosa*
146. *Frances Gonzalez Ortiz*
147. *Carmen Figueroa Diaz*
148. *Wanda Velázquez González*
149. *Orlando Berríos Vega*
150. *Joaquín Riopedre Rodríguez*
151. *Carmen Cotto Díaz*
152. *Migdalia Flores Velez*
153. *Zenaida Cotto Diaz*
154. *Migdalia Flores Velez*
155. *Zenaida Cotto Diaz*
156. *Carmen Iris Ortiz Sierra*
157. *Carmen Diaz Vazquez*
158. *Ricardo Vargas Benites*
159. *Lizzy Torres Diaz*
160. *Jose R. Rodriguez*
161. *Arnold Figueroa*
162. *Yadira Ortiz Ortiz*
163. *Carmen Rodríguez Navarro*
164. *Ruth Delgado*
165. *Iris V. Arrieta*
166. *Ana D. González*
167. *Sonia N. Díaz Díaz*

168. *Zaida Acevedo Alamo*
169. *Aurea Martínez Pérez*
170. *Wilfredo Santos de Jesús*
171. *Rosa Pérez Velázquez*
172. *Awilda Peón*
173. *Sonia Rivera Cartagena*
174. *María L. Cruz Guzmán*
175. *Carmen M. García Lebrón*
176. *Ramona Muñoz*
177. *Rosalía Benítez*
178. *Eudacia Santos*
179. *Ruth M. Olmeda*
180. *María Martínez García*
181. *Elisa Cotto*
182. *Rosa Arroyo de Jesús*
183. *Juan R. Díaz Velázquez*
184. *Hilda Rosa Montañez*
185. *Carmen N. Carrion*
186. *Diana Rivera Santiago*
187. *Madeline Esteves*
188. *Cindy Oquendo*
189. *Rosa M. Sierra Colón*
190. *Lydia Vega Vega*
191. *Luz D. Santana*
192. *Elisa Meléndez Rosado*
193. *Virginia Vicente Martínez*
194. *Gladys Oquendo Rolón*
195. *Isabel Flores Medina*
196. *Medeline Esteves Esquillon*
197. *Cindy Oquendo*
198. *Wanda Velázquez Rosario*
199. *Brenda J. Cotto Robles*
200. *Carmen Amill López*
201. *Carlos Cruz Cotto*
202. *Orlando Berríos Vega*

203. *Zuleika Figueroa Rosa*
204. *Luis Raúl Osorio Fontenéz*
205. *Myrurgia del Valle Ramírez*
206. *Miriam Jiménez Rivera*
207. *Héctor Batista*
208. *Olga flores Montañez*
209. *Jesús M. Neris*
210. *Nelida Guzman Viquez*
211. *Jovita Castro*
212. *Carmen T. Díaz de Jesús*
213. *Brenda L. Cruz Dávila*
214. *Diana Rivera Santiago*
215. *Lucy Ríos González*
216. *Lydia Berríos Román*
217. *María Estrada Santiago*
218. *Víctor Méndez Hernández*
219. *María del Carmen Mojica Delgado*
220. *Carmen I. Mass Rosario*
221. *Nieves Abadía Flores*
222. *Jazmín Vargas*
223. *Zulma I. Osorio*
224. *Sandra Fonseca*
225. *Carmen L. Díaz*
226. *Silveria Alvarez*
227. *Milagros Pérez*
228. *Haydée de Jesús*
229. *María B. Rodríguez Pérez*
230. *Ayra L. Alcocer Colón*
231. *Aileen Díaz Maldonado*
232. *Wanda I. Montes*
233. *Melba Rivera Inoa*
234. *Alexandra Cotto Malavé*
235. *Carmen D. Torres*
236. *Roberto Bracero Silva*
237. *María Elena Fernández*

238. *Julia Rivera*
239. *Ana L. Alejandro*
240. *Norma Viera Benítez*
241. *Ana Estrada*
242. *Ana Cruz*
243. *Frances Sosa Ruíz*
244. *Virgilio Flores Sánchez*
245. *Wanda I. CalderÚn*
246. *María A. Cotto*
247. *Irma Rivera*
248. *Ileana Torres Rivera*
249. *Ruth Santiago*
250. *Luis A. Maldonado*
251. *Jannette Sánchez*
252. *Martina Cruz Serrano*
253. *Máibel Roque CalderÚn*
254. *Olga Torres*
255. *Pablo Ruíz Márquez*
256. *Migdalia Viera*
257. *Reinaldo Fuentes*
258. *Sara Caraballo*
259. *Carmen S. Céspedes*
260. *Charytin NegrÚn*
261. *Wilmaris Delgado Ortiz*
262. *Carmen D Torres P.*
263. *Roberto Bracero Silva*
264. *Gladys ColÚn Merced*
265. *Dominga Reyes Torres*
266. *Frances Sosa Ruíz*
267. *Inocencia PiÑeiro Cruz*
268. *Carmen Quiñones Reyes*
269. *Carmen Centeno Santiago*
270. *Iris CalderÚn Reyes*
271. *Iris Fontañez CalderÚn*
272. *Gladys Rivera Santiago*

273. *Carmen Lydia Flores*
274. *Llenayra Gonz lez Calder n*
275. *Elba M. Parrilla Fonseca*
276. *Mar a L. P rez Rivera*
277. *Carmen Rodr guez Cotto*
278. *Mar a J. Cruz Rodr guez*
279. *Modesta del Valle Mu  z*
280. *Carlos Cruz Cotto*
281. *Jos  L. Garc a Marrero*
282. *Elsie Cruz Ayala*
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288. *Cintia Santa Beauchamp*
289. *Evelyn V  lez Hern ndez*
290. *Juana Gonz lez*
291. *Sandra D vilia Gonz lez*
292. *Mar a M. Carrasquillo*
293. *Elizabeth Acevedo Muler*
294. *Blanca Iris Rodr guez D  az*
295. *Vigerm  na Col  n Santana*
296. *Angel Rivera Vel  zquez*
297. *Pedro Luis Cort  s Lebr  n/ Eladia V  zquez*
298. *Mar a Ayala L  pez*
299. *Katherine Matos Tirado*
300. *Paula Ocasio Cuadrado*
301. *Evelyn Medina Hern  nez*
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303. *Rosa Romero de Le  n*
304. *Liz Yadira S  nchez Pedraza*
305. *Lerny G  lves Mart  nez*
306. *Ramonita Rivera Rodr guez*
307. *Wanda Pag  n Villegas*

308. *Sonia Cotto Zanabria*
309. *Sonia Rivera Adorno*
310. *Yolanda Santiago Maldonado*
311. *Martiza Moreno Acosta*
312. *InÈs Rosa Cotto*
313. *Migdalia Viera*
314. *Maribel Roque*
315. *Soela Gonz· lez*
316. *Olga Torres*
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329. *Gloria Otero*
330. *Carmen QuiÒnes*
331. *Elisa Cotto*
332. *Janet S· nchez*
333. *Zoraida MontaÒez*
334. *Gloria Otero*
335. *Janet LÛpez*
336. *Margarita Gonz· lez*
337. *Reynaldo Fuentes*
338. *Margarita V· zquez*
339. *Angie Celis V· zquez*
340. *Carmen M. ColÛn*
341. *Milagros Santiago*
342. *JosÈ Santiago*

- 343. *Frances Cotto*
- 344. *Lorenza MalavÈRuÌz*
- 345. *Luz Rosario*
- 346. *Lourdes D. ColÙn*
- 347. *Angel Huertas*
- 348. *MarÌa M. Garced*
- 349. *Carmen D. Torres Padilla*
- 350. *Janet Reyes*
- 351. *Nereida Gonz·lez*

TABLE OF CONTENTS

EXECUTIVE OVERVIEW	3
POPULATION & GEOGRAPHIC.....	3
OTHER STATISTICS	6
REGULATION.....	7
PLAN CONTENTS.....	7
CITIZEN PARTICIPATION.....	9
NON-PROFIT	13
HOMELESS SERVICES AND NEEDS.....	13
NON-PROFIT	14
PUBLIC HEARING CITIZENS' COMMENTS.....	14
HOUSING & HOMELESS NEEDS ASSESSMENT	16
CATEGORIES OF PERSONS AFFECTED	23
SPECIAL NEEDS OF THE NON-HOMELESS.....	24
ELDERLY AND FRAIL ELDERLY.....	24
<i>ELDERLY POPULATION</i>	24
<i>PROJECTION BY AGE BY SEX</i>	24
<i>CITY OF CAGUAS & PUERTO RICO 1990 To 2005</i>	24
MENTAL HEALTH AND SEVERE MENTAL ILLNESS	25
PHYSICALLY DISABLE PERSONS	26
OTHER - YOUTH.....	28
<i>ADOLESCENT PREGNANCY:</i>	28
<i>SUICIDE PREVENTION</i>	28
ALCOHOL AND DRUG DEPENDENCY	29
PERSONS WITH HIV/AIDS.....	31
.....	PRIORITY NEEDS SUMMARY TABLE
.....	35
HOUSING MARKET ANALYSIS.....	39
SUPPLY	41
<i>STRUCTURAL CONDITION OF HOUSING</i>	41
DEMAND.....	42
<i>Price per Unit</i>	42
NEW HOUSING DEVELOPMENT IN CAGUAS.....	43
PUBLIC AND ASSISTED HOUSING.....	44
<i>HOUSING UNITS</i>	44
<i>CONDITIONS OF PUBLIC HOUSING UNITS</i>	45
<i>ASSISTED HOUSING UNITS OTHER THAN PUBLIC HOUSING</i>	46
<i>HOUSING WAITING LIST</i>	47
<i>HOUSING NEEDS OF FAMILIES ON THE WAITING LIST</i>	47
STRATEGIC PLAN.....	52
VISION & MISSION.....	56
AFFORDABLE HOUSING.....	56
HOMELESS.....	64
TABLE	
IC.....	61

ABSTRACT OF CONTINUUM OF CARE.....	70
<i>PROCESS FOR DEVELOPING THE CONTINUUM OF CARE STRATEGY</i>	71
OTHER SPECIAL NEEDS.....	76
ORGANIZATIONS CONSULTED.....	77
SPECIAL NEEDS- NOT HOMELESS.....	85
NON-HOUSING COMMUNITY DEVELOPMENT	87
<i>LAND USE PLAN AND URBAN PLAN</i>	87
<i>INVESTMENTS IN CAGUAS – THE FOUR-YEAR PROGRAM (PICA)</i>	88
<i>MUNICIPAL INVESTMENT VS. STATE CAPITAL INVESTMENT PROGRAM</i>	89
TABLE 2B.....	91
COMMUNITY DEVELOPMENT STRATEGY.....	100
TABLE 2C.....	95
NEIGHBORHOOD REVITALIZATION STRATEGIC AREA (NRSA).....	104
ECONOMIC DEVELOPMENT	119
BARRIERS TO AFFORDABLE HOUSING.....	135
LEAD BASED PAINT HAZARD	137
ANTI-POVERTY STRATEGY	141
INSTITUTIONAL STRUCTURE & COORDINATION.....	144
PUBLIC HOUSING RESIDENT INITIATIVES 149	
MONITORING.....	152
<i>MONITORING WORK PLAN</i>	154
ACTION PLAN.....	158
RESOURCES	158
<i>ACTION PLAN SUMMARY OF FUNDING SOURCES</i>	160
HOMELESS AND OTHER SPECIAL NEEDS.....	166
COMMUNITY DEVELOPMENT.....	169
<i>ANTI-CRIME PROGRAM</i>	169
<i>HOUSING</i>	172
<i>PUBLIC FACILITIES</i>	172
ECONOMIC DEVELOPMENT	173
INFRASTRUCTURE.....	175
PLANNING AND ADMINISTRATION.....	177
PUBLIC SERVICE.....	178
SENIOR PROGRAMS.....	180
YOUTH PROGRAMS.....	181
SPECIFIC PROGRAM REQUIREMENTS	184
HOME PROGRAM REQUIREMENTS.....	184
RESALE/RECAPTURE GUIDELINES FOR FIRST TIME HOMEBUYERS.....	184
MONITORING.....	185
<i>MONITORING WORK PLAN</i>	187
ANNEX.....	191
<i>Maps</i>	191
<i>Point of interest and Low/Mod Income Areas</i>	192
<i>Distribution of Consolidated Plan Funds by Area</i>	192
<i>List of Proposed Projects</i>	192
<i>Geographic Distribution of Projects (maps)</i>	192
<i>Certifications</i>	192

EXECUTIVE OVERVIEW

The City of Caguas is located in the Central-Eastern region of the island of Puerto Rico. Caguas is the largest city in the region in terms of its territorial extension and population. It is the core of major transportation routes connecting the urban areas of San Juan, Ponce, and Humacao. The City has traditionally served as the economic center to the eastern central region of the island. According to a study by Estudios Técnicos (1998), sixty percent of the region's employment is attributed to the City of Caguas as fifty-three percent of the retail sales.

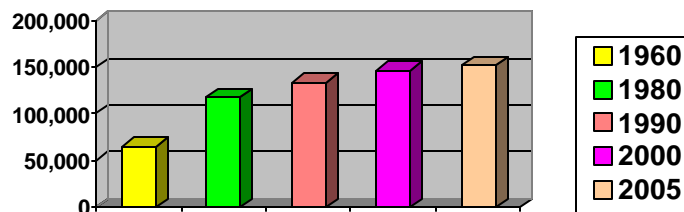
POPULATION & GEOGRAPHIC

Caguas, a city which geographical composition is fifty-nine square miles surrounded by mountains, is also known as the Turabo Valley. Since the 1960's, the city has experienced rapid population growth and urbanization compatible to its establishment as a regional economic center. According to the U.S. Census, the population in Caguas went from 65,098 inhabitants in 1960 to 133,447 inhabitants in 1990. During this period of expansion and growth, the city has grown up until today,

1990 Census Population	133,447
Female 51.2 %	69,589
Male 47.8 %	63,858
Urban Population 91.7 %	122,425
Rural Population 8.3 %	11,022

economic, housing and social development has presented a real challenge to the local government. The Puerto Rico Planning Board, in the latest statistic projected the population for the City of Caguas as 146,858 inhabitants as of the current year; a population density of 2,489 inhabitants per square mile. At this rate of growth, by the year 2005 the population will reach 151,866 inhabitants in Caguas.

POPULATION GROWTH CITY OF CAGUAS



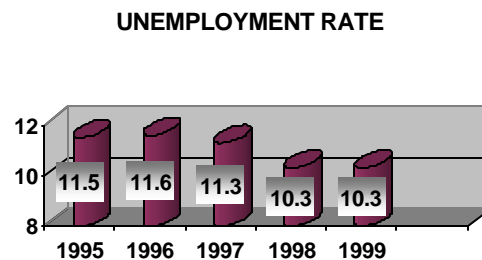
CITY OF CAGUAS				
POPULATION GROWTH				
FIVE YEAR PROJECTION				
US CENSUS	US CENSUS	US CENSUS	PR PLANNING BOARD	PR PLANNING BOARD
1960	1980	1990	2000	2005
65,098	117,959	133,447	146,850	151,866

The 1990 US Census also revealed that fifty-two (52%) percent of Caguas residents live in households below the poverty level. As the city prepares to face, the impact caused by the population growth, there some important issues that most meet head on, such as

financial resources and the betterment of opportunity for its residents.

The Department of Labor reported that as of November 1999 the unemployment rate in Caguas was 10.3%. A significant number of new jobs were created in Caguas with the establishment of the Catalinas Mall and TLD Corporation amongst others.

Although a report has not been released by the Department of Labor to indicate the effects of the Welfare Reform on the employment and unemployment results, it safe to surmise that the labor force has been impacted by its welfare to work program. The unemployment rate trends downward from 1995-98 and it leveled out in 1998-99 although new employment opportunities were created in Caguas.



Notwithstanding the economic growth in Caguas, the local government must continue to focus on economic development activities to ensure employment opportunities. The Area Median Family Income as of March 1999 for Caguas is \$16,300 and

according to the 1990, US Census the actual Median Family Income in Caguas is \$11,432. There is a good margin to qualify a great number of families for Federal Funds assistance, however the actual median income hinders on the resident's ability to gain financial support from Banks and other financial institutions.

As evidenced by the 1990 US Census, low-income residents are the most affected due the shortfall in the housing supply, minimal installations and rehabilitation. The City of Caguas must continue its diligent effort to develop new housing units for families of low, very low and moderate income; social development and improvements to every phase of the city's infrastructure.

OTHER STATISTICS	
Per Capital Income	\$4,547
US Census 1990 Median Family Income	\$11,432
Unemployment Rate (Nov. 1999)	10.3 %
Labor Force: Dept of Labor (Nov. 1999)	60,000
Employment	53,900
Unemployment number	6,200
HUD Adjusted Median Family Income	\$26,900
US 1990 Census Total Number of Households	43,293
Average # Of People Per Family	3.62
Households Below Poverty level	52 %

Persons Benefited By Nutritional Assistance Program:	
1991	45,564
1997	37,411
Households In Section 8 Program	2,748
Waiting List	
Median Housing Value Occupied By Owners	\$44,600
Median Value For Units Vacant	\$54,600

REGULATION

The Consolidated Plan is the principal planning and application document for the CDBG program, including HOME, Emergency Shelter Grants and Housing Opportunities for People with AIDS. The Community Development Block Grant (CDBG) was created under Title I of the Housing and Community Development Act of 1974). The CDBG Program is governed by the Code of Federal Regulation (24 CFR).

PLAN CONTENTS

The contents of the Consolidated Plan allegorize that the Municipality of Caguas pursues the goals of developing viable communities, provide decent housing and a suitable living environment to its residents, and expands economic opportunities principally for low- and moderate-income persons.

The Planning Office conducts the development of the Consolidated Plan (hereinafter called the Plan). The Municipal Housing Department and the Social Development and Empowerment Department provide significant information used in the elaboration process of the Plan but the main role in this process is held by the Planning Office.

In August 30, 1991 the Government of Puerto Rico adopted the Law # 81, known as Law of Autonomous Municipalities which transfers powers to Municipal Authorities. In July 20, 1998, the Land Use Plan was approved for the Municipality of Caguas. The Planning Office is one of the advisory offices of the Mayor within the administrative structure of the Caguas Autonomous Municipality. Its main function is to exercise and to ensure that the policy of the Law of Autonomous Municipalities of the Commonwealth of Puerto Rico concerning planning and ultimate use of land as planned in Caguas is observed. It also guides the physical, social and economic development of the city by means of the planning and integral execution of programs, studies, proposals, activities and projects.

The Planning Office has five units: Management, Administration, Urban and Environmental Planning, Social and Economic Planning and Project Planning. The Social and Economic Planning Unit is responsible for the elaboration of the Consolidated Plan. This office

responsible to carry on studies for the development of plans and programs in relation to areas of economic, social and physical development. It is also, responsible to update existing plans. The Planning Unit is currently involved in the development of programs and studies related to the following projects:

- Water Distribution and Pluvial System
- Design and Location of Compactors for the Rural Zone
- City Enhancement & Embellishment
- Facility for Emergency and Disaster Recovery Management
- Restoration of Historical Buildings
- Neighborhood Revitalization Projects

CITIZEN PARTICIPATION

In the course of complying with the Code of Federal Regulations 24CFR Section 91.105, the Municipality of Caguas considers citizen participation to be a powerful resource and the key to a successful strategic plan. The Local Government has taken measures in its own internal organizational structure to ensure citizen outreach.

Municipal Offices such as the Housing, Planning and the Department of Social Development & Empowerment encourage citizens to participate in the development of the consolidated plan, amendments and performance reports. These offices also provide technical assistance as requested by resident organizations and

other community representatives of low and moderate-income persons.

RESIDENT ASSOCIATIONS BY WARD BY SECTOR IN CAGUAS				
WARD	SECTORS PER WARD	SECTORS ORGANIZED	PERCENTAGE ORGANIZED SECTORS	POPULATION 1990 US CENSUS
BAIROA	13	9	69%	18,189
BARRIO PUEBLO	43	22	51%	26,065
BEATRIZ	7	4	57%	3,807
BORINQUEN	15	9	60%	5,182
CAÑABON	18	8	44%	5,901
CAÑABONCITO	24	14	58%	26,453
RIO CAÑAS	8	2	25%	8,416
SAN ANTONIO	12	2	17%	2,149
SAN SALVADOR	9	9	100%	3,004
TOMAS DE CASTRO	13	8	62%	18,068
TURABO	21	16	76%	16,223
TOTAL	183	103	56%	133,457

The concept of Resident Associations that has been promoted by the Department of Social Development & Empowerment since 1997 has proven to be an effective mechanism in getting residents involved in of the solution to their community needs. During fiscal year 1998-99, the Municipality attained record assistance at community meetings. There were four hundred (400) such meetings held. The aggregate attendance amounted to ten thousand (10,000) residents.

The Municipality held the Public Hearing for the Consolidated Plan at the Municipal Government Center on December 7, 1999 at 10:00 AM. This facility is centrally located and readily accessible by public

transportation. The announcement was published in two local circulation newspapers, *El Nuevo Día* and *La Semana*. In addition, Non-Profit Organizations, Resident Organizations, Public Housing Agency, State and Local Government Offices were contacted by telephone as reminder of the scheduled public hearing.

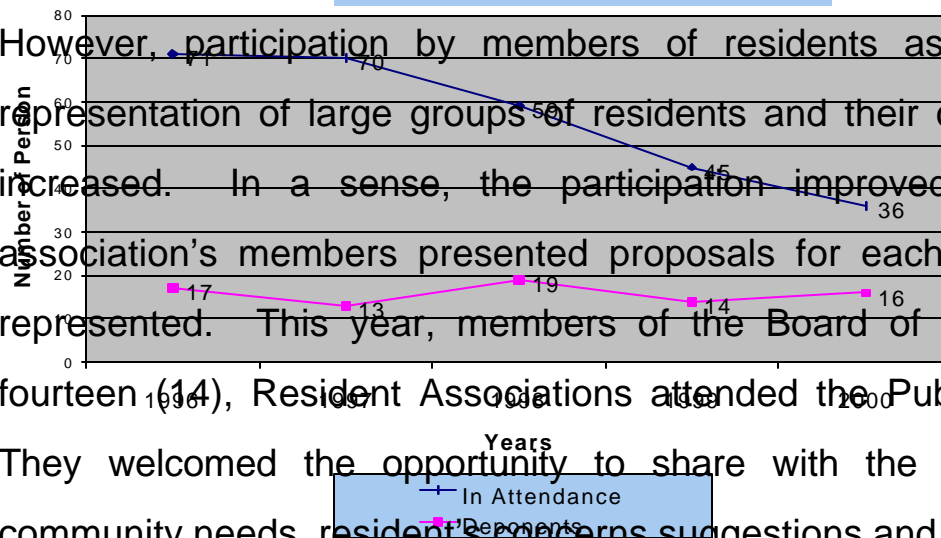
PUBLIC HEARING ATTENDANCE 1996-2000				
Fiscal Year	Attendance	% Change	Deponents	Variance
1996-97	71		17	
1997-98	70	-.01	13	.24
1998-99	59	-.16	19	-.46
1999-00	45	-.24	14	.26
2000-01	36	-.20	16	-0.14
Average	56.2		15.8	

A public announcement was posted at City Hall, local government operations center and at each local government agency. A 30-day period was allowed for citizens to comment on the plan or any proposed substantial amendment. Each proponent is informed in writing of decisions resulting from the evaluation of their proposal.

The State Housing Agency was also notified of Consolidated Plan activities related to community development so that this information could be available at the public hearing, as required by the Public Housing Agency Plan.

Since 1997, when the Department of Social Development & Empowerment began to promote the concept of resident associations, individual assistance diminished at the public hearing.

However, participation by members of residents association in representation of large groups of residents and their communities increased. In a sense, the participation improved since the association's members presented proposals for each community represented. This year, members of the Board of Directors of fourteen (14), Resident Associations attended the Public Hearing. They welcomed the opportunity to share with the Municipality, community needs, resident's concerns suggestions and proposals.



During the past five years, while attendance decrease by 49%, the number of deponents was maintained at an average of 15.8%. The next public hearing will be held during the month of September 2000. At this hearing, the Municipality of Caguas will present the performance report. As with all public hearings, there will be an announcement published in one or more general circulation newspapers to invite citizens, organizations and government agencies to participate in this process. As required by regulation applicable to the Consolidated Plan, the Municipality will comply with the 30-day period allowed for comments.

The announcement for the Action Plan 2000-2001 and the Consolidated Plan 2000-2005 was published in *El Vocero*, a general circulation newspaper, on April 14, 2000. The announcement included the proposed distribution of funds. During the comment period, the Municipality did not receive written comments from the public, although it was recommended for citizens to study the proposed plan and to submit their comments to the Municipal Office of Planning. There were inquiries from citizens via telephone in regards to the possibility of funds being assigned to their respective communities for specific projects. According to past experience, this has been the normal or favored pattern of behavior of residents in Caguas during the period of comments.

In the process of preparing the Consolidated Plan, the Municipal Office of Planning, consults with organizations and agencies on issues such as statistic, policy, process and procedures, project status and all other information that could be helpful in the planning of projects and strategy. The process of investigation and inquiry is a continuous effort that is carried out by personnel from each work unit of the Planning Department.

ORGANIZATIONS AND AGENCIES CONSULTED	TYPE	CONSULTATION
FUNDESCO	Non-Profit	Homeless Services and Needs

Hogar Resurrección	Non-Profit	Homeless Services and Needs
REDES	Non-Profit	Homeless Services and Needs
Centro Clínico Nuevas Actitudes	Non-Profit	Social Services, Health Services, Housing Emergency Services and Needs
HIV Program	Municipal	Health Services, Social Services and Needs
Casa San Gerardo	Non-Profit	Social Services, Housing Emergency Services and Needs
Hogar CREA	Non-Profit	Social and Homeless Services and Needs
Family Department	State	Social Services and Needs
INOTEF	Non-Profit	Social and Health Services and Needs
Federal Administration of Mental Health and Drug Abuse	Federal	Services and Statistics
Casa Rosa	Non-Profit	Transitional Housing Needs
Corporación Milagros del Amor	Non-Profit	Homeless and Special Needs Services
Housing Department	Municipal	Housing Services and Needs
Economic Development	Municipal	Economic Statistics
Public Works	Municipal	Projects
Social Development	Municipal	Statistics and Needs
Consortio Caguas-Guayama	Public	Employment Statistics
P. R. Planning Board	State	Population Statistics
Centros Cuido Envejecientes (varios)	Municipal & Private	Housing and Social Services for the Elderly and Needs
Ciudad Saludable	Municipal	Health Services and Needs
Department of Labor	State	Labor Force Statistic
Department of Health	State	Health Statistic and Service coordination
Department of Transportation	State	Infrastructure
Environmental Protection and Quality Control	State & Municipal	Projects, Permits and Consultation
Department of Housing	State	Service Coordination
Aqueduct & Sewer Authority	State	Infrastructure and Service
Electric Power Authority	State	Infrastructure and Service

PUBLIC HEARING CITIZENS' COMMENTS

As recorded in the minutes, residents that participated at the public hearing made comments and recommendations regarding specific needs as follows:

- The need for improvements to recreational facilities
- Improvements to the conditions of roads, street and sidewalks
- Increased street & traffic lights
- Installation of street signs
- Neighborhood police surveillance
- Infrastructure improvements for the drinking water supply
- Infrastructure improvements to the sewer system
- Maintenance and reforestation of the riverbanks
- Installation of speed-bumps
- Services to the homeless
- Development of a multi-use center for social development
- Construction of a Pedestrian By-pass at State Road 172
- Health Services- specially mental health
- Transitional and Permanent Housing
- Continuum of Care
- Need for sports and recreation group leaders in the communities
- Other public service programs
- Suicide prevention program for adolescents
- Services to the veterans and veterans dependents

As evidenced by prior years' Action Plans and performance reports, the Municipality has addressed each of the areas mentioned at the public hearing.

The Capital Investment Program contemplates an amount of \$53.3 millions for the coming year. It includes 67 projects in the areas of roads, highways, water resources, low-cost housing, public safety, education, communications, sports and recreation, cultural development and environmental beauty and protection. It also, includes approximately \$25.7 millions in permanent development projects to raise the total investment to \$80 millions in permanent work. For year 2000, an additional injection of funds in the amount of \$25.6 millions will be assigned.

The Municipality recognizes the need to continue the development on specific areas as pointed out by residents, therefore and has included in the 2000-2005 Plan; strategic goals to address each need as presented.

HOUSING & HOMELESS NEEDS ASSESSMENT

The Municipal Department of Housing provides permanent housing units and rental subsidies to homeless families. In addition, the Planning Department assigns Federal Funds to non-profit

organizations for the provision of emergency shelter, permanent and transitional housing and for other needs of the homeless. The following organizations are providers of emergency shelter, transitional housing and/or permanent housing. Refer to the Continuum of Care Gap Analysis Table 1A for recorded estimated needs.

- ◆ Fundación de Desarrollo Comunal de Puerto Rico (FUNDESCO)
- ◆ *Various Locations*
- ◆ Albergue Los Peregrinos
- ◆ Hogar Los Peregrinos
- ◆ Remanzo de Esperanza
- ◆ Hogar La Piedad
- ◆ Hogar Resurrección
- ◆ Centro Clínico Nuevas Actitudes Inc.
- ◆ Casa San Gerardo
- ◆ REDES

In addition, Casa Rosa a non-profit organization, developer of single-occupancy housing units, is in the process of developing 75 of such units in Caguas. The Continuum of Care Council has requested that fifteen of those units be dedicated to the homeless female population in Caguas. Casa Rosa became a member of the Council of Continuum of Care that was established by the Municipality of Caguas in 1998. This developer seeks financial assistance on its own and submits the project proposals directly to Federal Government Agencies and other funding resources.

CATEGORIES OF PERSONS AFFECTED		
HOMELESS CHARACTERISTIC	FREQUENCY	PERCENTAGE
Total	371	100%
Male	272	73%
Female	99	27%
<i>Persons with multiple characteristics are included within</i> Each category.		
Mental Illness	101	27%
Drug Abuse	164	44%
Alcohol Abuse	109	29%
Dual Diagnostic	33	9%
HIV/AIDS	40	11%
Battered Woman	35	9%
Youth	3	1%
Handicapped	1	.002%
Veterans	6	1.6%

SPECIAL NEEDS OF THE NON-HOMELESS

ELDERLY AND FRAIL ELDERLY

ELDERLY POPULATION PROJECTION BY AGE BY SEX CITY OF CAGUAS & PUERTO RICO 1990 TO 2005						
AGE	CENSUS 1990		PROJ. 2000		PROJ. 2005	
	CAGUAS	P.R.	CAGUAS	P.R.	CAGUAS	P.R.
MALE						
65 – 69	1,863	45,989	2,154	54,197	2,417	62,300
70 – 74	1,362	31,795		41,492	1,830	46,140
75 & Over	2,154	42,357	2,739	65,050	2,839	69,093
SUBTOTAL	5,379	120,141	6,507	160,739	7,086	177,533
%	45	47	43	41	43	40
FEMALE						
65 – 69	2,167	48,555	2,736	76,229	3,117	87,395
70 – 74	1,614	33,685	2,150	59,275	2,465	67,643
75 & Over	2,840	50,188	3,854	93,040	4,160	105,255
SUBTOTAL	6,621	132,428	8,740	228,544	9,742	260,293
%		52	57	58	57	59
% OF TOTAL POPULATION	8	13	10	9	11	11
TOTAL	12,000	252,569	15,247	389,283	6,828	437,826

The table shows that population rate of growth will continue to grow straight through to the year 2005. As demonstrated by the table, the statistic provided by the 1990 US Census and projections by the Puerto Rico Planning Board, show that the elderly population in Caguas is expected to grow at the same pace expected for the rest of the Island.

The Municipality of Caguas has several programs designed to serve the elderly population. Plans to support this special segment of the population include financial support for the provision of services and programs designed to ensure a good quality of life for the senior residents in Caguas. Special needs for the elderly population include amongst others, supportive housing, transportation, health services, housekeeping, escorts to medical appointment, daycare services, the provision of healthy meals, and passive recreation.

MENTAL HEALTH AND SEVERE MENTAL ILLNESS

The provision of health care services to the mentally ill population in Caguas was reorganized to conform to the health reform implemented in 1998. According information gathered by the Municipality from sources such as, non-profit organizations, providers of services to the mentally ill and/or emotionally affected persons in Caguas, the provision of service to this population requires of special attention from government.

The need for more individual, family and group therapy was emphasized. The service providers also inform that treatment to the mentally ill seem to be more focused on the provision of prescribed medication as opposed to therapy and continued care including follow up visits to health professionals. That gaining access to psychiatry and psychological services can delay up to a week.

These service providers have recommended that the process by which a mental patient acquires a health card/ insurance coverage be streamlined since it could take up to three months to complete the process. Also that the cost of the initial evaluation by a health care provider be minimized, since this cost is being passed to the patient. In the case of indigent persons, the cost of \$62 represents a significant burden.

The Municipality of Caguas has been assigning CDBG funds under the category of public service to institutions that provide healthcare and services to the mentally ill population. *Instituto de Terapia y Orientación familiar* (INOTEF) has been receiving an annual assignment of \$53,800.00 to cover rental expenses and the cost of coordination of service. This allows the institution to count on a facility to provide prompt and effective intervention to families in need of psychological counseling and other social services. During the first trimester of funding year 1999-2000, this organization attended to four hundred & sixteen (416) families; 192 new cases...209 follow up cases...and 15 re-admissions. INOTEF has also provided speech therapy to 21 of the 416 persons attended.

PHYSICALLY DISABLE PERSONS

The State Development Deficiencies Council (SCDD) reports that the physically disable population in 1995 was composed 28,197

residents in Caguas. The number of disable persons in Caguas for 1995 represented 23% when compared to the total population estimated by the Puerto Rico Planning Board for the same period of time. Of the 28,197 physical disable residents, 5,076 are hearing impaired and 7,049 persons have development deficiencies.

The Municipal Family Department has an office that attends to children & adults population with special needs. This office provides a variety of services to persons with special needs; transportation to medical appointments, financial assistance for prescribed medication not cover by any medical plans and technological equipment. Once each individual case is evaluated, the Office also issues referrals as needed. Participants are often referred to other areas in the Family Department that manage the housekeeping and nurses aid assistance program. One hundred and seventy-two (172) or (60%) sixty percent of the beneficiaries of this program were individuals with development deficiencies. The Family Department attended to 282 participants during 1999.

The staff in the Family Department has identified the need to:

- Increase the number of trips provided
- Increase the number of vehicles
- Extend the work schedule
- Increase funds for therapeutic equipment & prescriptions
- Improve the communication system

- Improved access to public facilities

OTHER - YOUTH

ADOLESCENT PREGNANCY:

According to the Department of Health (1996), thirty-six (36%) of adolescents are sexually active and only ten percent 10% of them use some method of birth control or protection. Further, twenty percent (20%) of the births in Puerto Rico were attributed to mothers under twenty years of age; sixty-five percent (65%) of these mothers were single and sixty percent (60%) had not finish high school. Health professionals inform that young people from dysfunctional families have a greater tendency to look for refuge in drugs and alcohol consumption. That such behavior leads the risk of sexually transmitted disease, unexpected early pregnancies and other serious social problems.

SUICIDE PREVENTION

Youth with suicidal tendencies are in continual risk and in need of prompt mental health treatment. Since 1995, the Regional Hospital had been offering an adolescent suicide prevention program in Caguas. This program was discontinued when health services were reorganized at this hospital.

The Municipal Administration recognized the importance of providing supportive services to emotionally distressed adolescents. Municipal *Ciudad Saludable*, a new department dedicated to health issues in the city as a whole, developed a new program to make up for part of the lost benefits once offered by Regional Hospital.

The new Suicide Prevention Program identifies adolescents at risk by working closely with middle and high schools. Teachers and other school professionals are trained to identify the population at risk. During 1998-1999 *Ciudad Saludable* provided individual therapy and psychological services including follow up to one hundred and four (104) adolescent people; fifty-seven (57) female and forty seven (47) male.

ALCOHOL AND DRUG DEPENDENCY

Although the Mental Health Administration and Drug Abuse Control (ASSMCA) is the principal service provider of treatment and rehabilitation to these patients, some non-profit institutions in Caguas,

Also, provide support. The Municipality of Caguas assigns Federal and local funds to the non-profit institution that provide service to this population. Until 1998, treatment had been based on relapse prevention, psychological therapy. Social rehabilitation has come to

play an important role in accomplishing the goal of achieving total recovery.

Non-Profit Institution	Population	Service Type
Hogar Resurrección Hogar CREA	65 Male 18 years > 75 Male 18 years >	Detox & Rehabilitation Detox & Rehabilitation
Centro Nuevas Actitudes	12 homeless female	Detox & Rehabilitation

Centro Nuevas Actitudes was founded non-profit organization in 1999. As the Council for Continuum of Care identified the gap in service to the female population in Caguas, this non-profit organization decided to take on the challenge.

The changes made by ASSMCA due to the Welfare Reform to the organization in the provision of service had its effect on this population. The following short falls were identified by organizations that offer services to the alcohol and drug dependent population.

- Public notice of services available and corresponding agencies locations
- Limited admission to programs due to financial restrains.

The State Office for Orientation and Coordination under the umbrella of, the Office of Mental and Service Administration attended to 454 during 1999. There are 129 persons on their waiting list. Based on the expertise by professional in this area, the adolescents with drug addiction problems, suffer from emotional stress. Drug addiction is the caused of poor academic performance, early pregnancies, and juvenile delinquency. OOCA has identified the following need:

Need to increase detoxification programs and special units for women. Most of these, women have children and in the worst cases, children have to be removed from their homes.

In 1999-2000 he Emergency Shelter Grant Program and the Ryan White Care, provided funds for the creation of *Centro Nuevas Actitudes*, which provides rehabilitation services to 20 women with drug/alcohol abuse and HIV positive. *Centro Nuevas Actitudes* is in need of a detox unit.

PERSONS WITH HIV/AIDS

Health services to the population afflicted with HIV/AIDS are principally provided in the Metropolitan Area (AME). The estimated population for this area in the year 2000 according Puerto Rico Planning Board is 310,078 inhabitants. The towns of Cayey, Cidra, Gurabo, San Lorenzo and Caguas constitute the AME. The

confirmed HIV/AIDS cases in Caguas from 1988 to February 2000 reach one thousand twenty three (1,023). This figures represents 57% or 1,790 of the confirmed cases within the AME; although the population in Caguas amounts to on 47% of the region. The mortality rate for this population has reached as high as 63% or 647 deaths out of the total cases of HIV/AIDS identified in the AME.

Out of the 1,023 confirmed cases, 914 or 89% are cases of people between the ages of 20 and 49. This age group makes up the majority of the labor force in Caguas. Drug consumption by injection, and unprotected sex has been identified as the leading causes of HIV/AIDS contamination.

Advanced medicine has turned a catastrophic illness into a treatment responsive type illness. This is implied by the decreased mortality rate of HIV/AIDS cases.

In 1999, as part of the development brought about by the Council for Continuum of Care, *Centro Nuevas Actitudes* started to offer rehabilitation service to the female population in Caguas. This emergency shelter presently houses 15 female that are addicted to drugs and are HIV positive. This has been a significant accomplishment since up to then; Caguas did not have a facility for the female population. Related to the housing need, FUNDESCO,

another non-profit organization that serves the homeless, is in the final phase of construction for 26 apartments to be offered to the terminally ill AIDS patients.

The need for continuum of care, housing and other supportive services to the HIV/AIDS afflicted population augments with the passing of time. The Municipality of Caguas, in coordination with the Council for Continuum of Care has identified the following needs.

Needs rated in a scale of 100%

- ✓ 22% Increased number of Emergency Shelters
- ✓ 17% Improved insurance coverage for medication
- ✓ 10% More case managers
- ✓ 8% Hospice availability
- ✓ 8% Increase number of accessible Detox units
- ✓ 7% Improved ability to cost out ambulatory service
- ✓ 5% Improved access to mental health emergency service
- ✓ 4% Provision of health services at home
- ✓ 19% Other needs
 - Needs for social workers and case managers
 - Transportation to enable coordination of service
 - Child Care to assists women during appointment for follow up treatment

- Provision of workshops for the purpose of teaching life and employment skills
- Provision of transitory housing

CAGUAS ELIGIBLE METROPOLITAN AREA												
Number of AIDS Cases Confirmed												
FEBRUARY 2000												
Source: Municipal Office of <i>Ciudad Saludable</i>												
Municipality				No. Cases			Percentage		No. of Deaths		Death Rate	
Caguas				1023			57.15%		647			
Gurabo				161			8.99%		105		65.22	
Cidra				339			18.94%		209		61.65	
Cayey				122			6.82%		79		64.75	
San Lorenzo				145			8.10%		98		67.59	
TOTAL				1790			100.00%		1138		63.58	
Number of AIDS Cases Confirmed in Last Five Years												
Y	C	C	G	C	C	C	C	C	San	C	C	C
e	a	ha	u	h	i	h	a	ha	Lor	ha	ag	ha
a	g	ng	r	a	d	a	y	ng	enz	ng	ua	ng
r	u	e	a	n	r	n	e	e	o	e	s	e
	a	R	b	g	a	g	y	R		R	E	R
	s	at	o	e		e	y	at		at	M	at
		e		R		R		e		e	A	e
				a		at						
				t		e						
				e								
94	10		16	-.23	11		30		13		170	
	0											
95	10	.03	13	-.30	9	-.22	43	.30	21	.38	189	.10
	3											

96	10 3	.00	10	.29	14	.36	26	-.65	12	-.75	164	-.15
97	82	-.26	14	-.56	7	-1.00	28	.07	5	-1.40	135	-.22
98	61	-.34	9	-.80	7	.00	14	-1.00	12	.58	101	-.34
99	24	-1.54	5		5	-.40	10	-.40	4	-2.00	45	-1.25
00	0		0		0		1		1		2	
Tot al	47 3		67		53		52		68		813	

TABLE 2 A
Priority Needs Summary Table
(See Table on Next Page)

The Housing Department of the Municipality of Caguas decided to use the table format of prior year for the Consolidated Plan. Unaware that the new format required statistics related to family income distribution, the information was not tracked. This hindered the ability to provide such information on table 2A (Priority Needs Summary Table). Corrective measures have been taken to maintain the record ongoing however, an effort which rendered good results was made to comply with the requirement.

The selection procedure used to provide Section 8 assistance to families is strictly based on a waiting list, which establishes the priorities of the plan, itself. For the purpose of the exercise all data relating to housing need was pulled from the latest updated waiting

list, dated April 2000. The operational method used to develop the table is a follow:

The Municipal Housing Department verified 1,371 section 8 cases on waiting list. Each case was allocated in a housing unit according to income, family size and special needs.

It determined that “Small related” families required 1-2 bedrooms while “Large related” required 3-4 bedrooms. The “elderly” classification required one bedroom while “all others”, identified as handicaps with a family nucleus, would required at least three (3) bedrooms.

To calculate the estimated rent, the “Fair Market Rent” (FMR), was multiplied by the number of annual units. For instance; “Small Related” two (2) bedroom FMR of \$379.00 per month times 528 units for 12 months for a total of \$2,401,344. Similarly the FRM for three (3) bedrooms for “Large Related” resulted in \$477.00. The FRM for one bedroom for “Elderly” (\$321.00) and the FRM for three (3) bedrooms for “All Others” resulted in \$477.00.

For the “Owners” section of the Housing Needs Table, the data on each housing unit was captured from the Home Program Register

and from applications received. The estimates were based on a grant of \$20,000.00 per family.

HOUSING MARKET ANALYSIS

SUPPLY

STRUCTURAL CONDITION OF HOUSING						
MUNICIPALITY OF CAGUAS						
U.S. CENSUS 1990						
TENURE	TOTAL HOUSING STOCK	STANDARD	SUBSTANDARD			
			TOTAL	% TOTAL HOUSING STOCK	SUITABLE FOR REHAB.	% OF TOTAL SUBSTANDARD UNITS
Total Housing Stock	43,293	40,426	2,867	6.6%	1,506	52.5%
Occupied Units	40,104	37,452	2,652	6.6%	1,418	56.8%
Owner Occupied	29,045	27,243	1,802	6.2%	977	54.2%
Renter Occupied	11,059	10,209	850	7.7%	441	51.8%
Vacant Units	3,189	2,974	215	6.7%	88	25.3%

According to the 1990 US Census there were 43,293 housing units in Caguas of which 31,107 were located in the urban zone. The occupancy rate was 92.6%. Out of the total housing units occupied 2.5% had deficiencies in the sanitary facilities and there were 1.01 persons per room occupied in 10.5% of the units. Single family occupancy was quoted as 86.7% or 34,767 housing units. Non-family households occupied the remaining supply, a total 5,337 or 13.3% the housing stock.

The Puerto Rico Planning Board has approved the location of 9,000 new housing units in Caguas. The price range on these new housing units forsakes the need of low and moderate-income residents in Caguas.

DEMAND

HOUSING ESTIMATED DEMAND CITY OF CAGUAS 1994-1998					
Price per Unit		Demand	% in Demand	Supply	% Unsatisfied Demand
From	To				
Less than 44,264		2,704	41.7%	311	11.5%
44,265	59,799	1,056	16.3%	1,056	100.0%
59,780	150,000	2,254	32.8%	2,254	100.0%
More than 150,000		460	9.1%	460	100.0%
Total		6,474	100.0%	4,081	63.0%

A few issues associated with the population growth play a significant role in the demand for housing in Caguas. The 1990 US Census shows that while the population increased the number of family members per housing unit decreased. A study conducted by Estudios Técnicos Inc. (1998) revealed that the extended family

concept that once prevailed in Puerto Rico has changed island-wide. Family members are becoming more social and economic independent. This coupled with the escalating divorce incidence and the social patterns adopted by the youth represent a greater demand for housing units. Records maintained by the Municipal Housing Department reflect that beneficiaries of the Section 8 Program exhibit the same tendency. More often than none, wanting to get out of overcrowded living conditions; they look to Federal Programs as a viable solution to their predicament.

According to Estudios Técnicos Inc., between the years 1994 & 1998 there was a housing demand in Caguas of 6,474 new units. In order to serve the need of low and moderate-income families, at least 58% of the housing demand should be developed within the parameters of affordable housing.

There is an estimated unmet housing demand of 3,760 units for homes costing under \$60,000. Substantial subsidies are needed to promote the development of affordable housing units since the developers have been concentrating their effort in a more affluent type clientele as demonstrate in the following chart.

NEW HOUSING DEVELOPMENT IN CAGUAS

MUNICIPALITY OF CAGUAS NEW HOUSING DEVELOPMENT IN PROGRESS MARCH 2000			
PROJECT	DESCRIPTION	UNITS	PRICE (\$)
1. Bosque Verde			>= 100,000
a) Terrazas de	Walk-up	84	
b) Alturas de	Walk-up	134	
2. Villa Borinquen	Walk-up	± 60	
3. La Serranía			>= 250,000
a) 1ra. Section		120	
b) 2da. Section		120	
c) 3ra. Section		100	
4. Caguas Real		± 300	>= 400,000
5. Hacienda San José	Single Family	1000 1500	>= 300,000
6. Paseo El Verde	Walk-up	80	
7. Mansiones	Single Family	741	
8. Estancias del Rey	Walk-up Town houses	90 33	>= 79,900
9. Los Pinos	Condominium	64	>= 125,000
10. Borinquen Apartment	Apartments **		>= 65,000
11. Idamaris B.	Walk-up **	78	>= 65,000
12. Brisas del Parque II	Land Lots	35	
13. Mirador El Turabo	Single Family	29	
14. Santa Cecilia	Walk-up		>= 125,000

** Subsidized by the Municipality of Caguas, Combination of Federal,
Private and Municipal Funds

PUBLIC AND ASSISTED HOUSING

HOUSING UNITS

PUBLIC HOUSING DEVELOPMENTS LOCATED IN CAGUAS		
PUBLIC HOUSING DEVELOPMENT NAME	NUMBER OF HOUSING UNITS	TYPE OF UNIT
José Gautier Benítez	492	WU
Juan Jiménez García	256	WU

Raul Castellón	200	MX
Brisas del Turabo	178	MX
Brisas del Turabo II	122	MX
Caguax	20	RW
Turabo Heights	254	MX
Bonneville Heights	100	WU
Villa del Rey	100	WU
Jard. de San Carlos	86	MX
El Mirador	46	WU
Ext. La Granja	25	SF
TOTAL NO. UNITS	1879	

CONDITIONS OF PUBLIC HOUSING UNITS

M. J. Consulting conducts the management and administration of public housing developments in Caguas. The Municipality works closely with representatives from the Management Company to ensure that the needs of public housing residents are met. Responding to the invitation and by active participation in the State Housing Administration public hearing is one of the ways that the Municipality employs in the effort to ensure that good living conditions are met for residents of public housing.

This year, staff from the Municipal Housing Department met with a representative from the State Public Housing Administration Office to prepare for the PHA Plan. Although the Municipality obtained a copy of the Plan, the information contained within the plan refers to the entire jurisdiction. The conditions of public housing units as well

as the number of housing units expected to be lost from the inventory in the City of Caguas are difficult to ascertain.

According to the financial resources table prepared by the State Housing Administration Office, \$5,000,000 was disclosed for HOPE VI Revitalization. Is uncertain the specific location within the jurisdiction to be revitalized or whether the project could result in a net loss of housing units.

ASSISTED HOUSING UNITS OTHER THAN PUBLIC HOUSING

ASSISTED HOUSING UNITS OTHER THAN PUBLIC HOUSING FEDERAL, STATE & LOCALLY			
FAMILY INCOME LEVEL	NUMBER FAMILIES ASSISTED	FUNDS EMPLOYED	
INCOME < = 30% OF AMI	929	CDBG HOME SECTION 8 LOCAL * Number of Elderly and families with disabilities may be understated since these categories had not been tracked. A system has been established to track the ongoing activity.	•

INCOME >30% BUT < = 50% OF AMI	163		
INCOME >50% BUT <=80% OF AMI	78		
ELDERLY	31 *		
FAMILIES WITH DISABILITIES	5 *		

The Municipality of Caguas does not anticipate the loss of any assisted housing unit included in the inventory. There are plans to continue providing financial assistance for rehabilitation of assisted housing units to help satisfy the housing demand in the City of Caguas.

HOUSING WAITING LIST

HOUSING NEEDS OF FAMILIES ON THE WAITING LIST			
	NUMBER FAMILIES	% OF TOTAL FAMILIES	ANNUAL TURNOVER
WAITING LIST TOTAL	81		4
EXTREMELY LOW INCOME < = 30% AMI	44	55%	

VERY LOW INCOME > 30% BUT < =50% AMI	12	15%	
LOW INCOME >50% BUT < = 80% AMI	26	32%	
FAMILIES WITH CHILDREN	73	91%	
ELDERLY FAMILIES	7	9%	
FAMILIES WITH DISABILITIES	4	5%	

RENTAL HOUSING MARKET

A. Type of Housing Occupancy

According to the 1980 and 1990 Census data, the housing stock in Caguas had grown rapidly. During this decade, the housing stock increased by 22.8 percent. Nevertheless, it was among the units occupied by renters where the biggest growth occurred. The renter-occupied units went up from 8,085 in 1980 to 11,059 in 1990, a 36.8 % growth.

There were 23,818 owner-occupied units in 1980 and 29,045 ten years later, a 21.9% growth. Consequently, those units occupied by renters comprised of 25.5 percent of the housing stock account for about three percentage points more than in 1980.

Table I
Housing Occupancy and Vacancy in Caguas, 1980 and 1990

CHARACTERISTICS	1980		1990		% change 1980 – 90
	# Units	%	# Units	%	
Occupied by owner	23,818	67.5	29,045	67.1	21.9
Vacant for sale	794	2.3	653	1.5	2.2
Sub Total	24,612	69.8	29,698	68.6	2.07
Vacancy Rate	3.2		2.2		
Occupied by renter	8,085	22.9	11,059	25.5	36.8
Vacant for rent	684	1.9	625	1.4	-0.9
Sub Total	8,769	24.8	11,684	27.9	33.2
Vacancy Rate	7.8		5.4		
Vacant for occasional use	746	2.1	195	0.5	-73.9
Other vacant	1,139	3.2	1,716	4.0	50.7
TOTAL	35,266	100.0	43,293	100.0	22.8

Additionally, in 1980 another 684 units were available for rent that remained vacant. The figure slows down to 625 in 1990. The vacancy rate went down in both, owner and renter-occupied units. In the case of owner occupancy, the vacancy rate declined from 3.2 to 2.2 while the vacancy rate for renter occupied units went from 7.8 to 5.4.

Estudios Técnicos conducted the latest rental housing market study available in February 1996. Among its highlighted findings, the study enumerates the following statistics.

- The *barrios* that increased the percentage of housing occupied by renters were: Turabo (from 27% to 36%); Cañaboncito (from 21% to 27%); and Bairoa (from 19% to 24%)
- The *barrios* that had moderate reductions in the percentage of housing occupied by renters were Borinquen (from 19% to 16%); Cañabón (from 14% to 12%); and San Salvador (from 14% to 11%).
- Caguas Pueblo had the highest percentage of housing occupied by renters on both years, increasing moderately from 38% in 1940 to 40% in 1990.

Table IV shows those 8,471 units of the 11,059 was renter-occupied. It also provides information about the monthly rent level. Those 8,471 units represent about the 77% of the renters-occupied units in Caguas. Furthermore, the 8,471 renters-occupied units were divided into 2,493 or 29.4%, which paid rent at a rate less than a \$100, other 1,216 units, or 14.4%, paid between \$100 and \$149 for rent, 1,113 or 13.1% paid more than \$150 but less than \$199.

Approximately 56.9% of the renter-occupied units paid a rent less than \$200. Besides, a 21.5% paid more than \$200 but less than \$300, 20.5% paid between \$300 and \$499 and only a 1.1% paid more than \$500. This also table demonstrates how the figures

described in Table I should evolve towards the year 2000, providing that the same trend in the housing market conditions that described the last decade continues through to the next decade.

STRATEGIC PLAN

VISION & MISSION

Four years ago, the local government established the vision and mission for the Municipality of Caguas. Since that time, the administration has been working diligently towards the realization of a comprehensive vision for change.

“Caguas, a vibrant and safe city, beautiful and orderly, healthy, educated and modern, united in its strong sense of community, technologically advanced, economically dynamic, and proud to be the best: Caguas, the Center and Heart of Puerto Rico.”

Each step taken towards meeting the goals and objectives for the City of Caguas is taken in light of a vision that is in complete harmony with HUD's objective. Emphasis is placed on the development of viable urban communities through the provision of decent housing and the maintenance of a suitable living environment, and the expansion of economic opportunities, particularly for low and moderate-income residents.

AFFORDABLE HOUSING

Based on the Housing Market Analysis by Estudios Técnicos Inc. (1998), there is an ample demand for housing for very low, low and

moderate-income persons. According to Estudios Técnicos Inc., between the years 1994 & 1998 there was a housing demand in Caguas of 6,474 new units. In order to serve the housing need of low and moderate-income families, at least 3,760 housing units should be developed within the parameters of affordable housing.

The Municipality has worked cooperatively with housing developers in an effort to find solutions to the affordable housing gap. So far, by providing incentives such as contribution of land owned by the Municipality and cost of land preparation and infrastructure, the Municipality has managed to bring down the cost of housing development. The incentive plan also includes the provision of grants to prospective homeowners to be used as down payments. The grants are issued to participants from HOME and CDBG funds and are subject to the HOME Program guidelines.

Two housing development projects have been completed, Borikén Apartments, and Idamaris Garden Walk-ups. Altogether, forty-eight (48)-housing units, at a sale price of \$65,000 per unit. The incentive plan has provided these participants with the opportunity to become homeowners. Just as important, it has provided an automatic built in equity on each housing unit of approximately \$12,000 per unit, a direct benefit to the homeowner.

Caguas most ensures that at least 58% of the housing demand is met and that the housing supply compares favorably within the parameters of affordable housing. To accomplish this objective, Caguas has overcome the obstacles in meeting the under served needs. Some of those obstacles are; limited funds available, high cost of construction, high cost of rehabilitation or reconstruction, shortage of land, resident's low-income level and unemployment amongst others.

AFFORDABLE HOUSING DEVELOPMENT IN CAGUAS				
PROJECT	STATUS	NO. UNITS	FUNDS	BENEFICIARIES
Troche	In Progress	24	Section 108 Private	Physically Disable & Mix Use
		Apartments		
Hostal La Paz	In Progress	125	State Housing Dept.	Elderly
		Apartments		
Barriada Morales NRSA	Planning & Design	267	Section 108 Municipal Public Private	Residents of Barriada Morales
		2 & 3 Story Walkups		
El Campito NRSA	Planning & Design	150	Section 108 Municipal Public Private	Low & Middle Income Residents in general
		Duplexes & Single Family		
Brooklyn NRSA	Planning & Design	62	Section 108 Municipal Public Private	Low & Middle Income Residents in general
		Duplexes & Single Family		
Idamaris Gardens I	Proposed	24	Section 108 Municipal Public Private	Low & Middle Income Residents in general
		Apartments		
Idamaris Gardens II	Proposed	48	Federal Municipal Private	Low & Middle Income residents in general
		Apartments		

Bunker	Planning & Design	12	Federal Municipal Private	Low & Middle Income Residents in general
		Apartment		
Alturas de Beatriz Self Help	In Progress	10	Municipal Federal	Low & Middle Income Residents in general
		Single Family		
Self Help Rural Development	In Progress	10	Rural Development	Low & Middle Income Residents in general
		Single Family		
Borikén	In Progress	48	Municipal Federal Private	Low & Middle Income Residents in general
		Apartments		
Chapero	In Progress	10	Municipal	Property title transferred to Low Income residents
		Land		
Campito	In Progress	29	Municipal	Property title transferred to Low Income residents
		Land		
Fundesco	In Progress	25	Federal Private Municipal	Homeless and Battered Women
		Apartments		
CHDO Fundacion Socio- Educativa	Planning & Design	2	Federal Private	Low & Middle Income Residents in general
Casa Rosa	Planning	78	Private	15 units for Homeless woman and Residents in general

Strategic Goal: To increase and preserve the availability of safe, decent and affordable housing for low and moderate income persons in Caguas.

- To combine public, private and federal funds to develop 185 new housing units per year, for a total of 925 housing units in the next five years.

- To issue 350 grants to homeowners for housing rehabilitation a year for a total of 1,750 grants in five years to improve the housing stock and living conditions.
- To issue 75 grants a year to residents, for the down payment to purchase a house benefiting 375 number of families in five years.
- To cover the cost of land, preparation including demolition, infrastructure development or a combination of any of these phases of construction to promote the development of affordable housing in Caguas.
- To assign funds to non-profit organization dedicated to the provision of transitional and permanent housing.

Strategic Goal: To maintain the existing affordable housing supply in good condition.

- To carry out projects such as “Raise the Roof” to assist low-income residents to rehabilitate their house.
- To develop a plan working in conjunction with the Vocational School in Caguas, to provide a work force available through

the school to assist low-income residents with home rehabilitation projects for houses that require minor repairs.

- To provide low-income residents with construction materials to repair or rehabilitate their house.

Strategic Goal: To improve the quality of life of Public Housing residents

Objectives:

- To conduct a study in participation with the Public Housing Administration to assess the needs of Public Housing residents.
- To design a program to provide down payment assistance to help public housing residents to become homeowners.
- Improve or construct recreational facilities in Public Housing Developments.
- To continue actively participating in the Public Housing Administration's public

- To promote participation of public housing residents at the CDBG public hearing
- To provide technical assistance to public housing residents with proposals to be presented at the CDBG public hearing.

Objectives related to housing development have been defined to address the conditions of the housing's market in Caguas. Accordingly, Caguas has established objectives to combine public and private funds to develop 185 new housing units per year, for 925 housing units in the next five years for families with low and moderate income. This is important in a market where almost every development is designed to address the needs of families in a higher income category, while 42% of the units are necessary for the lowest income families.

Others objectives include the issuance of 350 grants to homeowners for housing rehabilitation a year, a total of 1,750 grants in five years. To improve the housing stock and living conditions, and to issue 75 grants a year to residents for the down payment to purchase a house benefiting 375 families in five years.

Caguas also established objectives and goals aim at improving the accessibility of the families to an affordable housing. Such as the assignment of funds to non-profit organization dedicated to the provision of transitional and permanent housing and to provide low-income residents with construction materials to repair or rehabilitate theirs home. In every case, Caguas looks to combine every possible resource available to help residents in the provision of an adequate home.

M.J. Consulting as appointed by the State Government administers Public Housing Developments in Caguas. Notwithstanding the lack of control over the activity, the Municipality will continue to participate at Public Hearing to secure the best interest of residents dependent on rental units in Caguas. The Public Housing Administration in this year's strategic plan did not the development of new housing developments. The Municipality hopes to be able to offer public housing residents the same opportunities as those residents in Section 8 of becoming a homeowner.

Related to the 24 CFR 92.252, the Municipality assisted some 1,123 families of extremely low, low, moderate or middle income in acquiring affordable housing through a rental agreement. Furthermore, between 1992 and 1998, another 203 families became

homeowners in accordance with the rules established by 24 CFR 92.254.

HOMELESS

The Municipality of Caguas provides funds to non-profit organizations that service the homeless population. The vast majority of services available to the homeless population are provided by (7) seven non-profit organizations.

Information gathered by the Municipality points to the fact that homeless persons that require of special attention often arrive at institutions that are not prepared to work with their unique set of circumstances. In many of these cases, these homeless persons did not receive adequate care. In an effort to streamline the system, the Continuum of Care Council together with staff members from the Municipal Planning Office developed a referral system among all institutions that provide service to the homeless in Caguas.

It is important to understand that being a homeless person is no indication that the individual roams the streets all day. Many homeless people take shelter with either relatives or friends until they are able achieve their independence. The Family and Housing Departments provide services that may be characterized as services offered to the public. The Housing and Family Departments assist

the homeless through referrals to public housing developments. The homeless can also seek assistance through Section 8 at the Municipal Housing Department.

According to a report produced in 1995 by the Interagency Committee for the Consolidated Plan, the estimated homeless population in Caguas fluctuated between 664 to 1,242. In this year's gap analysis, Caguas estimated the need to provide service to 683 homeless persons and a gap for service to 419 homeless. The Municipal Planning Department has identified the need to determine the exact number of homeless persons receiving assistance in Caguas since only individual visits have been tracked thus far.

ABSTRACT OF CONTINUUM OF CARE

The Caguas' Continuum of Care system was developed through the coordinated efforts of the Municipal Department of Housing, the Office of Planning and Permits and non-profit organizations that serve homeless persons and families in Caguas. In preparation for the Consolidated Plan, a community participatory process was initiated. The participatory process unfolded the need to create an organization that could intentionally continue the community effort. This resulted in the creation of the "Caguas' Homeless Continuum of Care Council in 1998. " The Council's mission is to develop the continuum of care system to assist homeless persons through the process of increasing their levels of self-sufficiency and moving into permanent housing. Through monthly meetings, this Council has arduously worked to identify the gaps in the service provision and to

define a vision to address the problems of Caguas' homeless persons and families.

Given Council's need assessments, expertise and capacity, the priorities for this proposal were established. The types of activities requested in this proposal are permanent housing, mental health treatment and job training and placement. The Council acknowledges that there are other need areas identified; however, the proposed activities will fill gaps that complete the Continuum of Care System.

PROCESS FOR DEVELOPING THE CONTINUUM OF CARE STRATEGY

The Office of Planning and Permits and the Municipal Department Housing are leading entities of the Council for the continuum of care process. It has been agreed in the Council's meetings that these entities will facilitate the process by convene monthly meetings, providing staff to coordinate meetings, meeting space and keep minutes of the meetings held.

In October 1994, a community participatory process began which resulted in the establishment of a closer working relationship with nonprofit organizations that serve the homeless population. This process was initiated as part of the efforts of the Office of Planning and Permits and the Municipal Department of housing to identify the

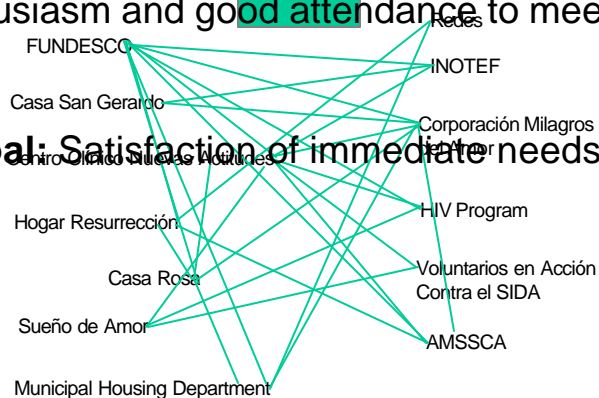
needs, the strategies and the applicable use of the Community Development Block Grants (CDBG) and other federal funds. All the local organizations that receive federal funding through the municipality were invited to the meeting. The meetings that followed helped coordinate other services rendered by the Municipality to the organizations.

The information gathered through the community meetings was used to guide the work to be performed by the Office of Planning and Permits and the Department of Housing in the preparation of Consolidated and Housing Plans that realistically address and effectively deal with the problem of Caguas' homeless population.

In 1998, the Council was officially established. Responding to the need of developing a coordinated effort, the Council agreed to meet every last Wednesday of each month to provide follow up to the Continuum of Care strategy and issues regarding the homeless and people with special needs. This action has kept the Council's interest, enthusiasm and good attendance to meetings.

Strategic Goal: Satisfaction of immediate needs of the homeless population

Objectives:



Entities that provide resources and technical assistance

Municipal Office of
Federal Funds and Affairs

Office of Planning and Permits

Entities that receive and provide referrals o the CoC

- To continue working closely with the Continuum of Care Council to address the needs of the homeless population.
- To implement a tracking system to enable the city to ascertain the number of homeless persons receiving assistance in Caguas.
- To continue providing financial assistance to organizations that provide service to the homeless population
- To ensure financial assistance to permanent and transitional housing developers.
- To ensure financial assistance to organizations, providers of emergency shelters
- To increase the number of housing units available to low income residents to curb the homeless population growth.
- To improve employment opportunities to curb the homeless population growth.
- To provide financial support for technical assistance to organizations that prepare the homeless with life and work

skills, in the process of helping to achieve their independence.

- To increase the number of single occupancy rooms in Caguas by 10 each year for a total of, 50 in five years.

Strategic Goal: To develop emergency shelter facilities and transitional and permanent housing projects for the homeless population in Caguas.

Objectives:

- To assist financially to complete the rehabilitation project at Hogar Resurrección Shelter.
- To assist financially to complete the rehabilitation project at Casa San Gerardo

Strategic Goal: To develop to its maximum capacity the potential of the homeless persons promote self-sufficiency.

Objectives:

- To promote programs specially designed to provide the homeless with skills that could lead to employability.

- To promote Job training and employment opportunities for the homeless by providing financial support to organizations that offer this service.
- To identify supportive services needed by rehabilitated homeless population currently residing in transitional housing units.

Strategic Goal: To create a sequential system of housing and supportive services through which the homeless can move through as they enter the system and gain a level of self determination.

Objectives:

- To increase outreach and intake of homeless persons in Caguas.
- To support case management and agencies coordination between the system of continuum of care service providers and the homeless
- To improve the transportation supportive service to help the homeless in search for assistance.

- To continue the life skills program, on the job training and employment opportunities including self-employment to increase the homeless self-esteem and economic independence.
- To strengthened partnership of Council member with the Police Department and the Traditional Urban Center Corporation.

OTHER SPECIAL NEEDS

The Continuum of Care Council established by the Municipality of Caguas ensures good quality service to the homeless and persons with special needs. By the year 1998, the Council had defined their organizational structure and since, it has worked objectively to avoid duplicity in some types of services and the absence of others. For instance, today the female homeless population in Caguas enjoys the benefit of a facility that offers continuum of care.

Designated employees from the Planning Department developed a questionnaire and visited organizations to emphasize community participation in the development of the continuum of care process. The following table provides information related to services provided

and the gap that was identified with the assistance of community organizations and members of the Council.

ORGANIZATIONS	TYPE	LEVEL OF COMMITMENT AND ACTIVITIES
<p>1. Fundación de Desarrollo Comunal de Puerto Rico (FUNDESCO)</p>	<p>Nonprofit status from the IRS %501 C 3)</p> <p>Located in Caguas Traditional Center</p>	<p>With 33 years of existence provides an array of services for homeless woman and men.</p> <p>1. Albergue Los Peregrinos Emergency Shelter has a sleeping area for 25. Provides outreach, intake and assessment. Supportive services are provided. Detox service is provided to participants through a referral system.</p> <p>2.Hogar Los Peregrinos is a 53-unit complex of permanent housing for rehabilitated homeless women, men and elderly.</p> <p>3. Remanso de Esperanza is a permanent-housing complex for 26 AIDS patients, which is under construction.</p> <p>4.Hogar la Piedad runs a rehabilitation project. It offers 28 transitional housing units to battered and homeless women.</p> <p>5. Is in the process of development and in a period of three years will offer the opportunity of a micro enterprise to 75 rehabilitated homeless. This year FUNDESCO expects to increase the outreach and intake of homeless.</p>

2. Corporación Milagros del Amor	<p>Non-Profit Organization with two years of experience in the counseling.</p> <p>Located in Caguas Traditional Center.</p>	<p>Provides the following supportive services:</p> <p>Counseling</p> <p>Referrals to other service providers;</p> <p>Emergency groceries;</p> <p>Transportation for elderly and disable individuals; and</p> <p>Assistance to homeless individuals and families through the process of finding shelter.</p> <p>The most recent service type added, is life skill training in coordination with the organizations working within an out of the Council of Continuum of Care.</p>
3. Hogar Resurrección	<p>Faith-based nonprofit organization certified by United Way</p> <p>Located in San Antonio Ward</p>	<p>Provides emergency shelter and drug rehabilitation treatment to 65 homeless men. Also provides supportive services such as, counseling, spiritual orientation and job training. Has a Detox unit that receives referrals from the network of continuum of care.</p>
4. Centro Clínico Nuevas Actitudes, Inc.	<p>Nonprofit organization Incorporated in PR State Department</p> <p>Located at Borinquen Ward</p>	<p>Provides emergency shelter to 15 homeless females with HIV/AIDS and undergoing drug rehabilitation treatment. It began its operations in 1998 to fill the gap of shelter to females homeless. It received technical assistance from the Council of Continuum of Care for the development of their administrative infrastructure.</p>
5. Casa San Gerardo	<p>Faith based non-profit organization</p> <p>Located in El Verde development, adjacent to the Traditional Urban Center</p>	<p>Provides emergency shelter to 10 pregnant adolescent females and their babies. Casa San Gerardo also assists young mothers to seek permanent housing, employment and counseling.</p>

6. HIV Program	Caguas Municipal Government, Ciudad Saludable (Healthy City) Department located at Cordero Avenue in the Traditional Urban Center	Provides medical assistance and transportation to HIV patients, including homeless individuals.
7. Housing Department	Caguas Municipal Government	Provides permanent housing and rental subsidy to homeless individuals and their families. It also provides the same service to the non-homeless and their families that have low, very low and moderate income.
8. Office of Planning and Permits	Caguas Municipal Government	Provides financial assistance through the CDBG, ESG and HOME Programs. Provides technical assistance and organizes activities to support the Continuum of Care Council, Housing and Community Needs.
9. Sueño de Amor SIDA Pediátrico	Non profit organization Located at Tomas de Castro Ward	Provides day care services for 25 children between the ages of zero an 11 years old that are HIV positive. Also provides supportive services at their newly developed a Housing facility located at Las Piedras to benefit 10 children.

10. Instituto de Orientación y Terapia Familiar	<p>Non profit organization with 27 years of experience</p> <p>Located at PR-1, Plaza Degetau near to the Traditional Center</p>	<p>Provides, family counseling, individual and family therapy, psychological treatment to Caguas' residents and to the population served by the Council of Continuum of Care.</p> <p>Because of the experience gained while assisting during the aftermath of Hurricane George, this organization decided to establish a new office in Barriada Morales. This office works together with the University Interamericana and the Salecianas Catholic Nun Congregation to benefit children of this very low income community which is part of the Neighborhood Revitalization Strategic Area.</p>
11. Office of Federal Funds and Affairs	Caguas Municipal Government	It provides technical assistance in the identification available funds and preparation of proposals to local non-profit organizations.
12.Casa Rosa	<p>Independent non-profit housing developers. Ten years of experience in the development of housing to service the homeless population in San Juan and now in Caguas.</p> <p>Located in San Juan</p>	Is in the process of developing a housing project at the old building once known as Clínica San Rafael in Caguas. The project consists of 75 units of single occupancy which 15 are requested by the Council for the benefit of female homeless.

13. REDES	Faith based non-profit organization Located at the Padial Street at the core of the Traditional Urban Center	Conducts outreach and intake of homeless, specially in the Padial Street near to Barriada Morales, an area with a high number of drifters, prostitutes and high incidence of HIV positive population specially in elderly and young women. Provide supportive services, such as health, nutritional, personal hygiene, case management and referrals to other rehabilitation institutions.
Centro de Voluntarios de Caguas	Caguas Municipal Government	The local government to assist in disaster recovery efforts created this organization. The organization is represented by a committee member at the meetings held by the Continuum of Care Council. The volunteers come from the private sector and community- based organizations.

Member of the Continuum of Care Council shared their concern with gaps in areas that should be addressed. Some of those areas are housing, jobs and mental and other health services. Special attention was requested on transitional and permanent housing, Safe heaven facilities, mental health facilities and service, physical health care facilities and service.

Among the activities funded by the CDBG Public Service Program are:

- Ten (10) elderly persons from Pedro La Santa Senior Center were assisted with an escort for transportation to medical appointment.

- Five Hundred & Ninety-eight (598) home deliveries to the elderly were made and requiring 772 motor vehicle trips.
- The Housekeeper Program assisted forty (40) elderly persons. This program currently counts with 20 housekeepers.
- *Respiro* Program assisted five (5) families that attend to frail elderly relatives at home by providing the care provider in the family with a one-day brake.
- The Aerobic Program for the elderly, directed by the Municipal Sports & Recreation Department benefited 40 participants from *Club the Oro* Senior Center at the Gautier Benítez Public Housing Project.
- There are five daycare centers for the elderly in Caguas attending to one hundred & seventy-five (175) persons. When combined, the daycare centers have fifty-five (55) private living facilities with the capacity to accommodate 375 elderly persons.

The Municipal Family & Social Services Department will start a new Housekeeper Program for the elderly persons at Caguas' Borinquen Ward.

The needs of the elderly are diverse; some of these needs are detailed as follows:

- The need to extend the Housekeepers Program. There are 55 elderly persons in this program's waiting list that suffer

from conditions such as; Alzheimer, cardiac illness, Anemia, Leukemia, cancer, Parkinson's disease and mental illness.

- The need to extend the program *Respiro*. There are 12 families of frail elderly on this waiting list.
- The need to develop support programs for the elderly and their families, especially for those that suffer with Alzheimer, and mental illnesses.
- To fortify health clinics, that provides preventive care to the elderly population.

The non-profit organization *REDES* has a new office to attend to 12 elderly person's HIV positive. The majority of these cases are victims of the "Social Security Syndrome" or prostitutes that serve this population, infecting them with HIV and depleting their financial resources. This problem has been forcing *Ciudad Saludable* the Municipal Department that deals with the city's health related issues, to open new ambulatory clinics and to work in coordination with organizations such *REDES* and the State Department of Health. The Municipality of San Juan is also assisting very two months with ambulatory health clinic services in Barriada Morales.

Strategic Goal: Satisfaction of quality service to the population with special needs.

Objectives:

- To implement a tracking mechanism to identify the number of homeless persons receiving continuum of care from the different organizations in Caguas.
- To ensure the physical and emotional rehabilitation by the provision financial support to organizations that offer this type of service to the homeless and persons with special needs.
- To support case management and agencies coordination between the system of continuum of care service providers.
- To improve the transportation supportive service to and from medical appointments for persons with special needs.
- To continue the life skills program, on the job training and employment opportunities including self-employment, improve self-esteem and to help achieve economic independence.

- To increase the number of housekeepers in the Municipal program to assist the elderly and frail elderly to remain at home by 10 housekeepers each year; 50 housekeepers, in a period of five years.
- To increase the number of families receiving assistance from the Municipal Program Respiro by increasing the number of home-care assistance.

SPECIAL NEEDS- NOT HOMELESS

Strategic Goal: To support social programs such as recreational and cultural for residents of low and moderate income faced with special needs.

Objectives:

- To continue financial support for the program designed to employ capable elderly.
- To continue assisting the elderly with the escort service to medical appointments and nutritional services.
- To continue supporting the aerobic program for the elderly at Mariolga's Community Center.

- To ensure spaces free of architectural barriers for the disable residents.
- To continue providing cultural workshops and entertainment free of cost to families with low and moderate income.
- To integrate the Volunteer's Council to serve as a resource bank in the provision of social services.

Strategic Goal: To improve mental health services offered in Caguas

Objectives:

- To continue financial assistance to the Adolescent Suicide Prevention Program
- To continue coordination with the secondary schools system to train staff members to identify potential cases of suicide, to offer referrals and case follow up.
- To continue providing financial assistance to the Family Counsel and Therapy Institute.

NON-HOUSING COMMUNITY DEVELOPMENT

LAND USE PLAN AND URBAN PLAN

The Autonomous city of Caguas has implements its Land Use Plan which establishes a program for Investment projects corresponding to either projects or future development proposed within the plan or, proposed by the City's Capital Investment Program.

The Land Use Plan is based an analysis that considered present and future physical and social development for the Municipality. It also establishes a series of actions to be taken and functions that should be carried out. It identifies projects that could help obtain the objectives while conforming to the recommendations of the Plan.

The dramatic changes and the inherent development pressure based on Caguas' regional marketplace, implies that programming investment projects must be oriented towards problems of infrastructure, environment protection, low-cost housing, development of existing road structure and improving public services and facilities.

Faced with the challenge to accommodate urban growth in a planned fashion, the Municipality of Caguas recognized the need to develop

an Urban Plan called “Caguas 2020” This plan will complement and become part of the Land Use Plan.

The Urban Plan takes under account the population growth as it unfolds the strategy directed to strengthening aspects of the infrastructure, environment, public space, neighborhood revitalization and transportation.

The investment in the development of these sectors requires the coordination of projects for improving the service to areas already developed and protects natural resources, public spaces and social welfare. Nevertheless, the Municipal Urban Program is affected by annual budget modifications programmed by the corresponding state agencies in relation to these sectors. Therefore, the city depends on criterion utilized by these agencies to establish priorities and methods for addressing the need.

INVESTMENTS IN CAGUAS – THE FOUR-YEAR PROGRAM (PICA)

The four-year investment program's (1999-2003) budget is for a total sum of \$56.8 millions. Under the concept of social development, school facilities received an assignment of \$22.5 millions. Mental health preservation and drug-abuse prevention received an

assignment of \$70,000. In capital investment programs, the Water Authority assigned \$26.1 millions for the period of four years.

Economic development, farming services and agriculture development received an assignment of \$1.4 millions for four years. The industrial sector, through the *Compañía de Fomento Industrial* received an assignment of \$528,000 and the energy sector received an assignment of \$6.1 millions through the *Autoridad de Energía Eléctrica*.

In whole, Caguas received an investment assignment of only \$56.7 millions for the period 1999-2003 from a total budget of \$7,839 millions for 18 state agencies according with the four-year Investment Program. In this investment program nothing is mentioned for Caguas in the areas of: housing, transportation and main highways, tourism, sports and recreation, natural resources, telephone, social welfare and other areas.

MUNICIPAL INVESTMENT VS. STATE CAPITAL INVESTMENT PROGRAM

The Capital Investment Program of the Municipality of Caguas contemplates an amount of \$53.3 millions for the coming year. It includes 67 projects in the areas of roads, highways, water resources, low-cost housing, public safety, education,

communications, sports and recreation, cultural development and environmental beauty and protection. It also, includes approximately \$25.7 millions in permanent development projects to raise the total investment to \$80 millions in permanent work. For year 2000, an additional injection of funds in the amount of \$25.6 millions will be assigned.

The Capital Investment of State Agencies for the City of Caguas will be the amount of \$67.7 millions in four years. Public Buildings Authority programmed \$22.5 millions for Caguas, Solid Waste Management Authority \$4.6 millions, Highway and Transportation Authority \$6.9 millions, Electric Power Authority \$4.7 millions, Transportation and Public Works \$150,000, Agricultural Service and Development Administration \$1.4 millions and Industrial Development Company \$528,000. The funds assignment covers the four-year period 1999-2003. The Municipality of Caguas will invest for the same period, approximately \$124 millions to satisfy the needs of its residents.

Throughout the past few years the Municipality of Caguas has held the public hearings to present its Consolidated Plan and has gathered the expressed needs of Caguas' residents, public and private entities. Projects have been identified and priorities have been set based on an analysis of community needs always

considering optimal utilization of the existing resources. The goal is to continue with the progress in the development of communities. To promote cultural and sporting events, develop and maintain facilities, develop new and maintain existing infrastructure for the benefit of residents. The following table shows the distribution of CDBG funds from 1996 through 2000.

NON-HOUSING COMMUNITY DEVELOPMENT ASSIGNMENT OF CDBG FUNDS 1996-2000					
PRIORITY COMMUNITY DEVELOPMENT NEEDS	FUNDS CDBG FY96	FUNDS CDBG FY97	FUNDS CDBG FY98	FUNDS CDBG FY99	FUNDS CDBG FY00
PUBLIC FACILITY NEEDS	\$ 1,500,000	\$ 2,149,873	\$ 3,132,000	\$ 792,017	\$ 913,800
Neighborhood Facilities	\$ 1,400,000	\$ 168,000	\$ 428,400	\$ 259,846	\$ 140,000
Parks and/or Recreation Facilities	\$ 100,000	\$ 1,068,000	\$ 2,110,000	\$ 354,650	\$ 648,800
Health Facilities					
Parking Facilities					
Solid Waste Disposal Improvements					
Asbestos Removal					
Non-Residential Historic Preservation		\$ 83,000	\$ 243,600	\$ 99,879	
Other Public Facility Needs		\$ 830,873	\$ 350,000	\$ 77,642	\$ 125,000
INFRASTRUCTURE	\$ 880,000	\$ 500,000	\$ 1,588,000	\$ 500,000	\$ 1,354,127
Water/Sewer Improvements			\$ 60,000		\$ 167,250
Street Improvements	\$ 450,000	\$ 500,000	\$ 1,450,000	\$ 500,000	\$ 1,060,000
Sidewalks			\$ 50,000		\$ 106,877
Sewer Improvements					
Flood Drain Improvements	\$ 330,000		\$ 28,000		
Other Infrastructure Needs	\$ 100,000				\$ 20,000
PUBLIC SERVICE NEEDS	\$ 541,890	\$ 902,350	\$ 978,726	\$ 717,000	\$ 715,500
Handicapped Services			\$ 212,577		
Transportation Services					
Substance Abuse Services					
Employment Training					
Health Services			\$ 117,160		
Other Public Service Needs			\$ 648,989		
ANTI-CRIME PROGRAMS	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Crime Awareness					
Other Anti-Crime Programs					
YOUTH PROGRAMS	\$ 0	\$ 0	\$ 6,300	\$ 0	\$ 0
Youth Centers			\$ 6,300		
Child Care Centers					
Youth Services					
Child Care Services					
Other Youth Programs					
SENIOR PROGRAMS	\$ 0	\$ 0	\$ 45,500	\$ 0	\$ 0
Senior Centers			\$ 45,500		
Senior Services					
Other Senior Programs					

NON-HOUSING COMMUNITY DEVELOPMENT ASSIGNMENT OF CDBG FUNDS 1996-2000					
PRIORITY COMMUNITY DEVELOPMENT NEEDS	FUNDS CDBG FY96	FUNDS CDBG FY97	FUNDS CDBG FY98	FUNDS CDBG FY99	FUNDS CDBG FY00
ECONOMIC DEVELOPMENT	\$ 1,210,627	\$ 1,623,382	\$ 1,367,376	\$ 1,814,983	\$ 1,845,231
Rehab; Publicly- or Privately - Owned	\$ 541,910	\$ 575,000	\$ 675,000	\$ 655,550	\$ 510,000
Commercial/Industrial		\$ 400,000			
CI Infrastructure Development					
Other Commercial/Industrial Improvements				\$ 33,775	
Micro-Enterprise Assistance					\$ 80,000
ED Technical Assistance					
Other Economic Development	\$ 668,717	\$ 648,382	\$ 692,376	\$ 1,125,658	\$ 1,255,231
PLANNING	\$ 984,883	\$ 1,316,401	\$ 950,200	\$ 956,000	\$ 954,000
Planning	\$ 984,883	\$ 1,316,401	\$ 950,200	\$ 956,000	\$ 954,000
TOTAL ESTIMATED DOLLARS NEEDED:	\$ 5,117,400	\$ 6,492,006	\$ 8,068,102	\$ 4,780,000	\$ 5,782,658

The graphic shows the distribution of CDBG funds by programmatic area for the period 1996-2000. In public facilities, the priorities are based on ci

COMMUNITY DEVELOPMENT NEEDS
CDBG FUNDS
MUNICIPALITY OF CAGUAS

aguas invested \$2.4

millions in

ive years. The

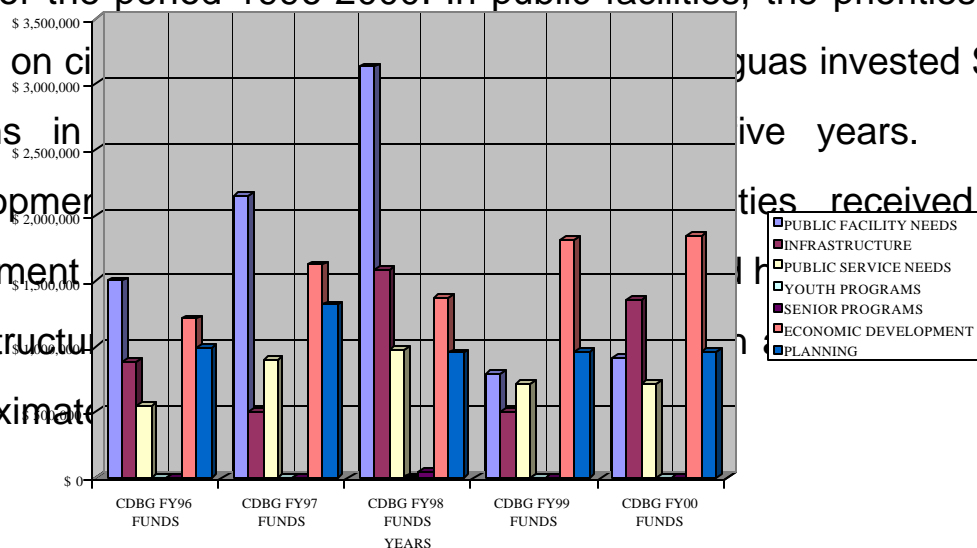
development

ities received an

investment

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approximate



There were \$4.8 million dollars invested on Infrastructure projects to avail residents of running water in their homes; improvements and development of aqueducts for the provision of drinking water, sewer installations, improvements to roads and streets. There was also an investment of approximately \$3.8 millions in public service, cultural and recreational services, security and social welfare.

In summary, the priority in last five years has been placed on community development. Public facilities with an injection of funds in the amount of \$8.5 millions, followed by Economic Development with an investment of \$7.8 millions, infrastructure at a cost of \$4.8 millions and public service to the extent of \$3.4 millions. Financing was accomplished by the most part by a combination of municipal, state, federal and private funds.

In the current year, the Municipality budget \$25.5 million for projects to take place in Caguas. As shown on **table 2b, “Community Development needs”**. Funds have been distributed as follows; \$2.9 million for economic development, \$6.9 million in infrastructure, \$10.2 million in public facilities, public service \$431 thousand, programs for the elderly \$182 thousand and \$1,052 million has been assigned for planning and administration.

COMMUNITY DEVELOPMENT STRATEGY

The Municipality of Caguas has developed a strategic plan in order to satisfy needs at short and long term. In other words, the City will concentrate the resources in long lasting solutions rather than on a kick fix approach that in the long run will require of additional resources to address to the need. The Municipality has identified weaknesses as well as strengths in community development areas as follows:

STRENGTHS AND OPPORTUNITIES	WEAKNESS AND CHALLENGES
INFRASTRUCTURE AND PRESERVATION	
<ul style="list-style-type: none"> • Opportunities to develop the attractive and natural beauty of the Turabo Valley and its river basin 	<ul style="list-style-type: none"> • Need to reforest and beautify public places and highways
<ul style="list-style-type: none"> • High capacity highway network 	<ul style="list-style-type: none"> • Problems with infrastructure in water resources and sewer system
<ul style="list-style-type: none"> • Main telecommunications network for East-Central Region 	<ul style="list-style-type: none"> • Problems to maintain the highway network
<ul style="list-style-type: none"> • Adequate electric power to supply actual and future demand 	<ul style="list-style-type: none"> • City fragmentation due to unplanned development
<ul style="list-style-type: none"> • Potential to establish high technologic system to dispose of solid waste 	<ul style="list-style-type: none"> • Overcome environmental limitations
	<ul style="list-style-type: none"> • Need to integrate telephone system to San Juan Metropolitan Area
ECONOMIC DEVELOPMENT	
<ul style="list-style-type: none"> • Strategic geographical location for any industries 	<ul style="list-style-type: none"> • High rate of “overnighters” and of floating residents
<ul style="list-style-type: none"> • Regional Center for services, business and transportation 	<ul style="list-style-type: none"> • Deteriorating downtown
<ul style="list-style-type: none"> • Industrial mix and multi-sector labor force 	<ul style="list-style-type: none"> • Lack of high-quality hotels
<ul style="list-style-type: none"> • Trained labor force, with proven high productivity rate 	<ul style="list-style-type: none"> • Limited industrial space for expansion
<ul style="list-style-type: none"> • Center for high technology manufacturing industries 	<ul style="list-style-type: none"> • Need to a higher investment in construction, agriculture and tourism

<ul style="list-style-type: none"> Potential for strategic agreements (government, industries, universities) 	<ul style="list-style-type: none"> Limited development of information network and its integration to global markets
	Lack of skilful personnel
SOCIAL DEVELOPMENT	
<ul style="list-style-type: none"> Futuristic agenda 	<ul style="list-style-type: none"> Lack of identity with the city (“Criollos” or “Turabeños”)
<ul style="list-style-type: none"> Good community environment (big city with small town mentality) 	<ul style="list-style-type: none"> Need of higher economic participation from the community
<ul style="list-style-type: none"> Excellent participation from civic and religious organizations 	<ul style="list-style-type: none"> Lack of prevention programs in health and public assistance to undeveloped communities
<ul style="list-style-type: none"> Lower unemployment rate than similar cities 	<ul style="list-style-type: none"> High unemployment rate in communities social-economically disadvantaged
STRENGTHS AND OPPORTUNITIES	WEAKNESS AND CHALLENGES
SOCIAL DEVELOPMENT	
<ul style="list-style-type: none"> Lower crime rate than similar cities 	<ul style="list-style-type: none"> High crime rates in some communities
<ul style="list-style-type: none"> Integration of State and Municipal Police Forces 	<ul style="list-style-type: none"> Need for more recreational programs for the citizens
<ul style="list-style-type: none"> District Court of Justice 	<ul style="list-style-type: none"> Lack of low-cost housing
<ul style="list-style-type: none"> Diversity in cultural and sporting events 	<ul style="list-style-type: none"> Need to educate citizens in a sense of civic and aesthetic way of thinking
<ul style="list-style-type: none"> Several universities and technical colleges 	
<ul style="list-style-type: none"> Regional Health Centers 	

Strategic Goals: A dynamic and vibrant economy to benefit the City of Caguas’ urban and social environment.

Long Term Objectives

- To adopt public policies and strategies to direct the economic development of the City of Caguas within the new model of Economic Development for Puerto Rico.
- To organize commercial missions to cities from other countries to promote the exporting of our Caguas made products

Short-term Objectives

- To establish a Business Assistance Center to promote the creation of new jobs by offering tax incentives and strategies to develop several economic sectors while emphasizing high technology, services and small businesses
- To conduct promotional campaigns and products marketing at national and international levels by means of new technologies in place
- To execute the newly developed plan to revitalize the traditional urban center (downtown) including improvement to the traffic flow and parking accessibility.

- To conduct marketing campaigns to project Caguas as a tourist attraction and to promote investment from outside sources.
- To transfer to the private sector those municipal functions of a business-like character, as a mechanism to promote capital reinvestment in new economic development projects
- To conduct activities to promote public patronage of businesses established by the city to be able to use them as centers for economic development to become economically self-sufficient
- To institutionalize and fund the Community Development Bank *Banco de Desarrollo de la Comunidad*, with an additional injection of approximately \$1.5 million dollars and promote it as a solid municipal entity to serve the businesses by funding their programs.
- To redesign available spaces at the Theatre of Fine Arts to provide commercial, tourist, promotional and artistic opportunities to the community

- To utilize the Internet to promote the business assistance center to attract local, national and international investment
- To install a high-technology electronic board to promote artistic and cultural events to the community
- To utilize the Business Assistance Center to provide technical assistance to businesses, individuals, commercial associations and other entities with community based projects established to promote economic development.
- To promote the availability of the of the Center of Fine Arts to present important national artistic programs and shows by improving its facilities to become the largest and most advanced hall in Puerto Rico.

NEIGHBORHOOD REVITALIZATION STRATEGIC AREA (NRSA)

The designated NRSA is a contiguous cluster of small, older residential neighborhoods comprising about 160 acres of land located just west of downtown; Barriada Morales, La Granja, Brooklyn, Bunker, Santo Domingo and Myrlena. Together, these communities have a population of 3,652 residents occupying 1,461 housing units, (1990 US Census).

The Municipality has already started to revitalize the NRSA by demolishing abandoned properties, vacating the cemetery, cleaning waste from the creek, informing residents of immediate plans, presenting the relocation expense plans. Also, the project design included several phases for the revitalization of Barriada Morales. In its revitalization plan, the Municipality envisions the NRSA as a tightly knit group of stable and attractive mixed-income residential communities. As a place in which residents take pride and where community members work together to meet shared challenges.

STRATEGIC GOAL: To revitalize the area declared by HUD as the Neighborhood Revitalization Strategic Area.

Objectives:

- To complete the process of relocation of residents of Barriada Morales.
- To develop 250 new housing units in Barriada Morales for residents of low and moderate-income levels and 50 rental housing units in the next four years.
- To develop new infrastructure for housing, streets, sidewalks and utilities in the next two years.

- To create 200 new jobs for NRSA residents.
- To establish five new small businesses in the NRSA.
- To develop during the next three years a daycare center to service 50 children and 25 elderly person.
- To implement community programs direct at social and economic development in the next four years to benefit 200 residents.
- To reduce the crime rate in the NRSA in the next three years to conform to that of the rest of the city.
- To establish an electronic library in the next two years.
- To establish ENCORE in Barriada Morales in the next four years. ENCORE is the organization established by the Neighborhood Housing System to address housing rehabilitation and loans to residents at low interest rate to rehabilitate housing.

ECONOMIC DEVELOPMENT

In the City of Caguas, Economic Development is considered an essential mechanism to pursue the general welfare of citizens. In order to be able to achieve the goal the following objectives established to accomplish the projects that have been planned:

ECONOMIC DEVELOPMENT GOALS, OBJECTIVES AND PROJECTS		
CONSOLIDATED PLAN 2000 - 2005		
STRATEGIC GOAL	STRATEGIC OBJECTIVES	PROJECTS
A Dynamic and Vibrant Economy to benefit Caguas' Urban and Social and environment.	To establish a Business Assistance Center to Assist in the promotion of Jobs with tax incentives and strategies to develop Several economic Sectors that emphasize high technology, services And small businesses.	1.1a -\$ 89,905 from CDBG funds were assigned to create the center in partnership with the institute of the business woman of The University of Sagrado Corazón and the Business library of the University of Puerto Rico in Mayagüez.
	To conduct promotional campaigns and products marketing at national and international levels by means of the new technologies in place. .	1.2a – Municipal Ordinances # 99A-52 and 99B-16 proposed the establishment the business information through the internet to stimulate national and International investment in Caguas.

	<p>To develop a plan to revitalize the Traditional Urban Center (downtown) including Traffic flow and Parking.</p>	<p>1.3 a – A study for Traffic flow was conducted by Toplan.</p> <p>1.3b - Arq. Antonio Dimanbro development a “Strategic Urban Design Study for the Urban Zone” for Caguas.</p> <p>1.3c - Arq. Frank Moya developed a “Plan to rehabilitate the Barriada Morales.”</p>
	<p>To conduct marketing campaigns that present Caguas as an attractive city for tourist to visit and that it promotes outside investments.</p>	<p>1.4 a - (1) - We have or are in the process to realize improvements to the Pancho Pereira Terminal (to convert to Into an intermodal center) and the Lincoln Parking lot (to convert to a multi-story lot for 500 cars and commercial stands).</p> <p>(2) – Studies and Designs are underway to improve street infrastructure to several streets downtown including Muñoz Marin, Acosta, Goyco, Ruiz Belvis, Colchado and Rafael Cordero.</p> <p>(3) - A study of viability to provide incentives to owners of building in downtown for improving their facades.</p> <p>(4) – Design and construction of Padial Boulevard, rehabilitation of Torres Lizardi Theater, Restoration Of Old Baptist Church and a study to restore the Old Merchants Building to establish businesses again.</p> <p>(5) – Several Museums are at the design phase that will feature Local History, Tobacco Processing, Sports and Boxing.</p> <p>1.4 b – Approved Ordinance 99B-19 to provide incentives for new investment and expand the employment base and stimulated the economy, provides exemption from payment of municipal tax and patents</p>

	<p>1.5 To transfer to the private sector those municipal functions with a business character's a mechanism to promote capital reinvestment in new economic development projects.</p>	<p>1.5 a – Transfer management control of Parque Acuático Del Turabo to a private enterprise. 1.5 b – The following assets are in the process of selling Centro de Acopio, Centro de Distribución Agrícola, Consolidated Mall.</p>
	<p>1.6 To conduct activities to promote public patronage of businesses established in the city to promote as centers for economic development to become economically self-sufficient.</p>	
	<p>To institutionalize and Fund The Bank for Community Development (Banco de Desarrollo de la Comunidad) with an additional injection of approximately \$1.5 Millions and promote it as A solid, municipal entity to serve the businesses in the community and Caguas, citizens in general and for small Business funding programs.</p>	<p>1.7 a – During Period 1998-99 The Bank assisted 431 local Entrepreneurs and disbursed 4518,000 in small commercial loans representing an increase of 151% and 75% respectfully over the previous Period. 1.7 b – Approval of a new strategic plan for Loans from The Federal Department Agriculture has provided the opportunity for new Loans Like “Empowerment Loan” (for self-employment and micro-businesses, Emergency Loans (for Natural Disasters), of the land Use Plan, Loans for industrial Buildings and importing and Exporting Loans.</p>

	To redesign available spaces in the Fine Arts Center to provide commercial, tourist, Promotional and artistic Opportunities to the Community. To install a high-technology Electronic Board to promote artistic and cultural events to the Community. To utilize the Business Assistance Center to provide technical and business assistance to individual, commercial associations and entities with a community base in projects established to promote economy development. To utilize the Internet to promote the business assistance centers to attract the local and international investment.	1.8a - This process has started, the new design has been delivered for review and analysis. The project is to be completed by year 2001.
	To promote the available Fine Arts Center to present important national Artistic Programs and shows by improving its facilities to become the largest and most advanced hall in Puerto Rico.	a – To be fulfilled once redesign is in place.
	To promote the development of local agriculture.	<p>2.0 a –Development of strategic Plan for this sector.</p> <p>2.0 b- Identify and preserve areas suitable for crops, archaeology forest and sensitive to environmental resources.</p> <p>2.0 c – Promote the development of an organization for farmers to protect their interests.</p> <p>2.0d – Create Financial Mechanisms for farmers.</p> <p>2.0e - Utilization of the internet to promote and market Caguas' Farm Products.</p>

Strategic Goal: To improve and promote the quality of life to the highest possible level for residents of Caguas and specially those of low, very low and moderate income.

Short Term Objectives

- To continue the promotion of the cooperative model between government and residents in order to maximize the opportunities to development 125 community associations in the next five years.
- To improve safety and quality of life in the over 150 vicinities and neighborhoods in Caguas.
- To strengthen actions procuring a healthier life especially among the 17,046 families that live below the poverty level.
- To provide financial assistance to the Neighborhood Housing System (ENCORE) to assist resident with low and moderate-income to rehabilitate their houses.
- To increase the availability of public facilities and the quality of public services to Caguas' estimated population of 146,850 for the year 2000 and 151,866 for the year 2005.

Strategic Goal: Increase and improve the educational opportunities and access by children, young people and adults leading towards a full intellectual development.

Long Term Objectives

- To conduct special projects to present Caguas as the center and heart of sporting events in Puerto Rico including national and international events in sports like swimming, boxing, martial arts and weightlifting programs throughout the City.
- To develop recreational and sports maximizing programs throughout the City.
- To start the “Criollos” hiking and camping programs
- To incorporate sport clubs and recreational activities to the information network to disseminate oncoming events.
- To establish the services of the Digital Information Centers at the main center and satellites in several sectors of the City.
- To continue offering services of the “Camps of Proud Criollos” to recover school-deserters from streets and provide them with an opportunity for a productive life.

- To continue the offering of services of the “Council for the Post Secondary Technical And Vocational Education” to promote education. Multiple activities will be developed in co-ordination with educational institutions, the industry and the community. The Council will expand the loan guarantee program to their organizations and students.
- To offer tutorial services through the “Creative Time Program,” integrating psychological services and to continue the development of sporting and cultural abilities of the personnel.
- To continue to offer incentives and activities to children and young people such as rewards for good work, school transportation, school improvements and economic assistance.
- To establish a support program for POP AND FOLKLORIC MUSIC as well as for the artists.
- To continue to promote activities to enhance the arts, acting and literature.

- To establish a museums network improving the historic infrastructure such as the Museum of Contemporary Art and the Caguas Museum at City Hall.
- To turn the Historical Archive of Caguas into a center for research and studies by providing the required technology and equipment in order to promote cultural and historical enlightenment.
- To establish a program for cultural promotion in communities with emphasis in the artistic talent of our young people.
- To carry commemorative events to enhance values, citizenship and to instill a sense of pride and feeling of belonging to the residents as Caguas faces the new century and millennium.

Short Term Objectives

- To continue offering the services of advanced technology at the Four Digitized Information Centers and to build six additional Centers in Caguas.

- To develop five programs to promote life-long abilities in children, young people and adults.
- To establish the “Abilities Development Center For Community Leaders” leading citizens, communities and individuals to discover opportunities for self-development, new enterprises and to organize the over 100 communities in our City by establishing residents associations as requires by the Law of Autonomous Municipalities.
- To establish the “Volunteers Center” In Caguas.
- To establish “Integrated Service Offices” in different wards to link communities and operation (service) departments.
- To promote and link communities as entities to our digital information network.
- To strengthen the services to AIDS patients by providing financial support for program designed to provide assistance to this part of the population.

- To create the position of Surgeon General for the City to identify health factors affecting residents and to adopt public policies for a healthier life in the City of Caguas.
- To promote the Neighborhood Revitalization Program for the benefit of communities, mainly the “Barriada Morales.”
- To strengthen the assistance programs for the aged and the physical disable residents.
- To establish the first Head Start Center (pre-school) following the cooperative government-neighbors model at “Bairoa La 25”.
- To establish an office to provides services to the veterans.
- To strengthen the services provided by the “Office for the Woman” by coordinating interagency services that have been affected by the Social Welfare Reform.
- To institute the program of day care for children of low income families including single mothers

- To connect the Head Start Centers to Municipality's information network.
- To establish the "Office of Integrated Services for the Young" by promoting strategic partnerships with the private-sector and establish a connection for this office with the Municipality's information network.
- To implement a program to integrate services for both the young and the elderly residents.
- To develop a plan to improve and expand sporting and recreational facilities in the City of Caguas, including Walking Tracks, The Volleyball Court, Gymnasium and the New Hall of Fame Pavilion for sportsmen in Caguas.

Strategic Goals: Improve, increase and develop the existing and the new infrastructure in Caguas.

Long Term Objectives

- To establish a computerized follow-up system for the administration of projects.

- To incorporating a preventive and preserving management of public buildings.
- To complete the planning and construction projects designed to administer water resources to the residents in Caguas and to promote a positive proactive response from the Water Company.
- To develop and construct the North and South Intermodal Centers according with 2020 Urban Plan.

Short Term Objectives

- To enhance and expand the existing infrastructure.
- To coordinate efforts with state agencies to develop the highly needed economic development projects.
- To build and repair streets and roads according with the Transportation Improvement Program.
- To improve main roads geometrically.

- To support activities of the Neighborhood Housing Service (ENCORE) around the NRSA and Centro Urbano Tradicional (Traditional Urban Center).

Strategic Goal: To revitalize the Traditional Urban Center in Downtown Caguas.

Long Term Objectives

- To stop migration of residents from the CUT out to the new housing projects.

Short Term Objectives

- To increase and improve the capacity of the CUT's sewer system in cooperation, with pertinent agencies.
- To continue with the enhancements to main entryways to the city.
- To promote the development of new housing units in the Traditional Urban Center
- To rehabilitate by providing construction materials the existing housing stock.

Strategic Goal: To promote a healthy and orderly environment in Caguas.

Long Term Objectives

- To develop plan for the protection of natural resources.
- To implement to the plan that was developed to mitigate and recover from natural disasters.
- To complete the plan to develop roads with emphasis in the main access to the City.
- To establish a traffic and safety program including highways and road maintenance and embellishment.
- To continue with the program to improve sidewalks, and street curbs and urban infrastructure ensuring road paving as needed.
- To establish a plan to conserve energy for the city.
- To develop a plan to embellish in a decorative fashion the Urban Traditional Center's streets and to improve access to disable persons

- To develop a plan to enhance parks and plazas.
- To establish a program to improve avenues, plazas parks monuments, streets, boulevards, sidewalks and curbs in urban zones by maintaining these areas clean and attractive and to reforest the Urban Traditional Center.
- To continue implementing the plan to embellish the entire City of Caguas.
- To establish an aggressive program to prevent graffiti by the construction of 13 areas of public expression and street overheads as well as to eliminating all existing graffiti.
- To establish a plan to integrate the community's cooperation in the plan to improve street image by adopting specific areas to provide maintenance.
- To start Phase I of the Passive Park and the Botanic Garden of the Turabo Valley including the preservation of archeological discoveries and projects of historic preservation.

- To develop the Northeast Extension and Southeast extension plans.
- To develop a project to reorganize garbage collection routes throughout the city.
- To implement viable alternatives to face the upcoming demands to dispose solid waste for the next five years.
- To establish an aggressive plan for collecting and cleaning to support efforts to enhance the “CUT.”
- To develop and reforest the areas adjacent rivers, Caguitas, Bairoa, Turabo and Rio Grande de Loiza to develop recreational areas.

Short Term Objectives:

- To continue with the plan to eliminate unlawful waste sites and to remove abandoned garbage.
- To continue enhancing recycling services according to the approved plan by the Solid Waste Authority

- To carry studies to respond to the increased need for the proper disposal of solid waste.
- To establish an aggressive plan for collecting and cleaning to support efforts to enhance the “CUT.”
- To continue the construction of recreational facilities and, improving existing facilities.

BARRIERS TO AFFORDABLE HOUSING

BARRIERS	STRATEGY FOR AMELIORATION
Municipal Taxes	Municipal taxes represent a good source of income for the municipality, and cannot be eliminated. However, Caguas’ Municipal Government will be encouraged to lower or eliminate construction taxes in the case of affordable housing projects to service the low and moderate-income residents.

Land usage controls and zoning ordinances.	Municipal government will complete preparation and submission of their Land Use and Zoning Plan as required by local law. The plan will reflect those lands available for potential development.
Burdensome building permit requirements	Coordinating will be made with state and local agencies to streamline the permit approval processes.
Impact fees	Although state agencies have preferential fees for affordable housing projects, they will be encouraged to review their impact fee policies.
Increment interest rates	The Municipal will provide reasonable interest rates through the Community Development Bank of Caguas and will appeal to private financial institution under FIAREA to assist families with low and moderate income to become homeowners.
Increasing cost of construction materials	The Legislature body of Puerto Rico will be made aware of the need to reduce import duties on construction materials for affordable housing projects. The Department of Housing will prepare a study on the cost of such materials for this purpose.
Lack of infrastructure. (especially water and sewer facility)	The Agency or Authority responsible for the financing of infrastructure will be made aware of the need for new infrastructure to support affordable housing projects.

Lack of experience of developers.	Outreach and orientation programs will be afforded on all facets of social interest project management and development. Emphasis will be given to non-profit developers.
Lack of experience of real estate agents in the social housing market.	The Puerto Rico Department of Housing offers orientation programs for the real estate industry, oriented to the qualification of tenants.

LEAD BASED PAINT HAZARD

Lead-Based Paint in Caguas may be defined in the following context. Out of the 43,293 housing units in Caguas 32,290 or 74.58%, were constructed prior to 1978. Of the total housing stock built in 1978 and prior, 66.6% or 20,134 of the housing units may be contaminated by lead based paint. The estimated results carry a 10% margin for error.

The following chart details rental and owner occupied units and their exposure to contamination by lead based paint expressed as a percentage of the total housing stock constructed in or prior to 1978.

HOMES AT HIGHEST RISK FOR LEAD-BASED PAINTS HAZARDS					
Age of Unit: Year Build	# of Very Low & Other Low- Income Households	Percent with Lead- Based Paint	# Estimated with Lead- Based Paint		Margin of Error
ALL HOUSEHOLDS BY AGE OF UNIT					
PRE 1940	1,256	X .90 =	1,131	X .10 =	113

1940 –1959	5,767	X .90 =	4,613	X .10 =	461
1960 – 1979	23,209	X .90 =	14,390	X .10 =	1,439
Total Renter Households Estimated to be contaminated with Lead-Based Paint			20,134	±	2,013
OWNER-OCCUPIED HOUSEHOLDS BY AGE OF UNIT					
PRE 1940	782	X .90 =	704	X .10 =	70
1940 –1959	3,762	X .90 =	3,010	X .10 =	301
1960 – 1979	17,763	X .90 =	11,013	X .10 =	1,101
Total Renter Households Estimated with Lead-Based Paint			14,727	±	1,472
RENTER HOUSEHOLDS BY AGE OF UNIT					
PRE 1940	474	X .90 =	427	X .10 =	43
1940 –1959	2,004	X .90 =	1,603	X .10 =	160
1960 – 1979	5,446	X .90 =	3,377	X .10 =	338
Total Renter Households Estimated with Lead-Based Paint			5,407	±	541

Caguas is following very close the “Lead Based Paint Action Plan 1999” published by the Bureau of Modernization and Planning of the Puerto Rico, Department of Housing’s Public Housing Administration. This plan was based on Title 10 of the 1992 Housing Community Development Act. The Municipality is also guided by the Residential Lead-Based Hazard Resolution of the Act of 1992, and a Plan based on a HUD-funded Risk Assessment Study conducted in 1998. The study had the goal to determine the level of lead poisoning risk in public housing units built since 1978 and it outlined the following strategies. The Municipality has adopted a version of

the goals as it relates to the type of housing units directly under the responsibility of the Municipality.

Objectives:

- Maintain records regarding housing where mitigation measures have been taken in accordance with the recommendations made in the Risk Assessment Study.
- Continue with the Orientation Plan for residents who are in risk of lead poisoning.
- Continue with the Training Plan for personnel assigned to the Municipal Housing Department.
- Continue with the Monitoring and Compliance Plan in coordination with other State and Federal agencies

The Municipality of Caguas plans to carry out the following tasks associated with these objectives:

- Identify with more precision the housing stock affected by lead based paint by mean of a study
- To inspect the affected properties

- To identify those units at a higher risk of contamination
- To establish a process of notification to homeowners and occupants.
- Identify the geographical locations in maps to enable easy access to the properties.
- Publish brochures with messages to alert the public as to the hazards of lead based paint and the potential danger to children
- Evaluate and inspect all Head Start Units housed in structures that were constructed in or prior to 1978.
- Produce information pamphlets or video-clips, announcements, newspaper articles necessary to inform the communities.
- Informed the residents of the potential hazard when structure located near a body of water are demolished or clean by scrapping.

- Informed private developers of the law that regulates construction

The Municipal Office of Planning will disclosed the law and insist in compliance of such law, as part of the requirements to comply in projects of demolition, revitalization o extensions and historical structures.

ANTI-POVERTY STRATEGY

In an effort to improve the quality of life in Caguas, each one of the Municipal agencies will play an important role. This multi-department task force is responsible for the administration of social assistance programs in benefit of every resident that solicits or requires such assistance. In the anti-poverty struggle, Caguas assigns federal, state and local funds to provide an array of services and activities of significant and positive impact on the causes of poverty. Federal funds such as HOME CDBG and ESG are a key factor in the battle against poverty and the provision of a healthy community environment for all residents, specially, for those of low and moderate-income level.

According to the 1990, US Census 69,075 persons in Caguas lived below the poverty level. As compared to the total population for the same period, this figure represented 52% of the total population

residing in Caguas. This fact is projected in every brake-down of the data with a very insignificant variation; by group; by age etc. For persons under 18 years of age, the percentage reached 59.5%. For the adults population, 65 and over, 52.2%, and for the productive age group ranging from 18 to 64 years of age, 47.5%. In addition, 17,046 or 48.8% of the 34,938 families that reside in Caguas are living below the poverty level.

INCOME AND POVERTY LEVELS IN CAGUAS U. S. CENSUS 1990 POPULATION AND HOUSING			
Age Group	Persons living below Poverty level		
	No. of Persons	Percentage of Population	Percentage by Age Group
Age Group			
Less than 5	6,449	9.3	58.6
5 to 17	18,842	27.3	59.8
18 to 64	37,654	54.5	47.5
65 and over	6,130	8.9	52.2
Total	69,075	100.0	52.0
No. Family	17,046	48.8	----

Faced with having 52% of the population living below poverty levels, the Municipality of Caguas must implement an aggressive plan to fight poverty.

Strategic Goal: To reduce the number of families living below poverty level in the City of Caguas.

Long Term Objective

- To develop the social, cultural and economic environment to bring to provide residents the highest standard of life possible in the City of Caguas.

Short & Medium Term Objectives

- To promote the City of Caguas as the commercial, industrial and financial center of the eastern region of Puerto Rico
- To reduce the unemployment rate by creating opportunity for employment through initiatives in economic development.
- Capitalize *Banco de Desarrollo de la Comunidad* to increase the number of loans to small enterprises.
- To design and implement subsidy programs to enable the acquisition of affordable housing by residents of low and moderate income.
- To participate in the provision of health care services

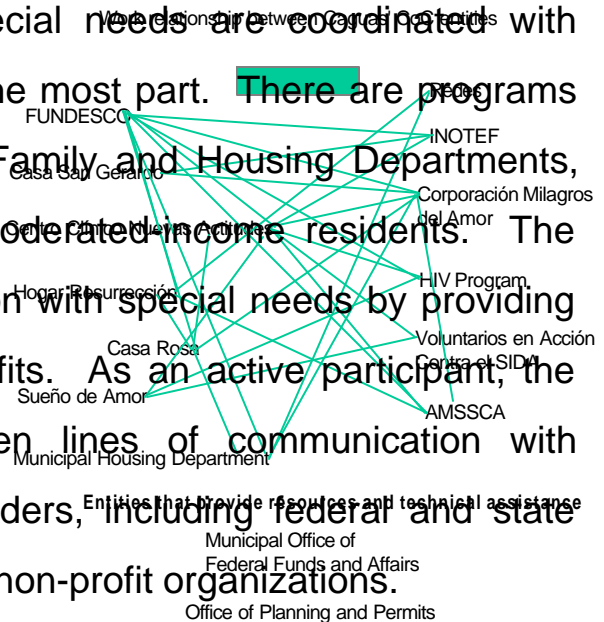
- To participate in the development of improvements to the education system
- To create programs designed to encourage residents that are economically disadvantaged to lift up their expectations and success.
- To improve the quality of life of the low-income communities by means of revitalization
- To develop the cultural and physical environment to increase the number of visitors to the City of Caguas
- To promote tourism locally and through outside sources

INSTITUTIONAL STRUCTURE & COORDINATION

The development of the Consolidated Plan, Action Plan and strategies therein established, is a direct responsibility of the Municipal Office of Planning. A combination of public agencies and nonprofit organizations contribute to the configuration of Consolidated

and Action Plan. The Municipal Department of Housing is mainly responsible for housing programs, including First-time Homebuyers Program, Minimal Housing Rehabilitation, and Section 8 and affordable housing projects.

The Department of Public Works carries out projects of community development. Programs are designed and implemented by several municipal departments, including Planning & Permits, Housing, Sports and Recreation, Culture, Education, Citizen Affairs, Municipal Guard, Economic Development and the Department Social Development & Empowerment. Programs designed to assist the homeless and persons with special needs are coordinated with private non-profit institutions for the most part. There are programs conducted by the Municipality's Family and Housing Departments, that offer benefits to low and moderated income residents. The programs also attend to population with special needs by providing the same level service and benefits. As an active participant, the local government maintains open lines of communication with housing and social service providers, including federal and state agencies, private sector including non-profit organizations.



The Municipal Department of Housing, the Office of Planning and Permits and non-profit organizations coordinated efforts for the development of Caguas Continuum of Care System. A Council was

created in 1998 to develop the continuum of care system to assist homeless persons and persons with special needs through the process of increasing their levels of self-sufficiency and moving to permanent housing. The Planning Office and Permits is the leading entity of the Council for the continuum of care process. This office facilitates the process by convening monthly, providing staff to coordinate meetings, meeting space and keep minutes of the meeting held. All the local organizations that receive federal funding through the municipality were invited to the meeting. The meetings that followed helped coordinated other services rendered by the Municipality to the organizations.

The information gathered through the community meetings was used to guide the work to be performed by the Office of Planning and Permits and the Department of Housing in the preparation of Consolidated and Housing Plans.

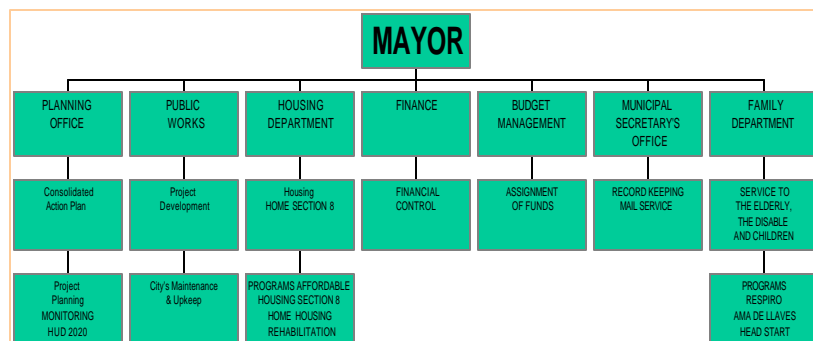
The members of the Council are constantly sharing information, referrals and resources. The organizations with greater experience are also sharing their knowledge with others. Meetings have provided the opportunity to share current services, projections and strategies to address common issues. During this program, year nine meeting has been held. The Council has in schedule meetings every last Wednesday of each month.

The following table describes the level of participation in the planning process:

Specific names of CoC Organizations	Sub population represented	Level of Participation in Planning Process
State Agencies:		
AMSSCA	Mental Health, drug abuse rehabilitation and veterans	New Council member
Local Government:		
Office of Planning and Permits	Government	Council facilitator
Municipal Housing Department	Government	Council facilitator
Office of Federal Funds and Affairs	Government	Council facilitator
Caguas, Health Prevention Department	Government-youth and HIV/AIDS	Service provider
Nonprofit organizations:		
INOTEF	Government	Council member attends monthly meetings
Corporación Milagros del Amor	Non-profit	Council member attends monthly meetings
Voluntarios en Acción Contra el SIDA	HIV/AIDS	Council member
FUNDESCO	Emergency Shelter and supportive service provider	Council member attends monthly meetings
REDES	Homeless service provider and HIV/AIDS	Council member attends monthly meetings

Casa San Gerardo	Youth Homeless	Council member attends monthly meetings
Centro Clínico Nuevas Actitudes	Homeless woman and HIV/AIDS	Council member attends monthly meetings
Hogar Resurrección	Drug abuse rehabilitation and detox	Council member attends monthly meetings
Sueño de Amor SIDA Pediátrico	HIV/AIDS child and parents	Council member
Housing developers:		
Casa Rosa, Inc.	75 Single Room Occupancy Units	New Council member
Fundesco	Housing and supportive services	Council member attends monthly meetings
Business:		
MOVA Pharmaceutical	Private Sector	Provide support to council member entities
Gatsby	Private Sector	Provider support to council member entities
Camera Mundi	Private Sector	Provides support to council member's entities
Jensen and Jensen	Private Sector	Provide support to council member's entities
Merck, Sharp and Dohmme	Private sector	Provides support to council's member entities
Homeless/ former persons:		

Two men, one woman. Due to confidentiality issues, names cannot be listed. However, attendance records are available for review.	Participants of CoC	Council members
Other:		
Primera Iglesia Bautista de Caguas	Institution	Provides support to council member's entities
Cosecha de Puerto Rico	Institution	Provides support to council member's entities
Club de Leones	Institution	Provides support to council member's entities
Health Professionals	Private Sector	Provides services to council members
Legal Council	Private Sector	Provides services to council members



PUBLIC HOUSING RESIDENT INITIATIVES

To ensure that the needs of public housing residents are given proper consideration, the Municipality will continue to closely coordinate its actions with MJ Consulting, the private property Management Company that administers public housing developments in Caguas.

Thus far, the Municipality has been able to assist Public Housing residents by improving or constructing recreational facilities in various developments. The following developments received a benefit of approximately \$300,000; Brisas del Turabo, Turabo Heights and Gautier Benítez. Further, the Municipality has assigned \$296,000 for projects in the following Public Housing Developments, Jardines de San Carlos and Bonneville Heights.

The Municipal Housing Department managed funds assigned under section 8, including the assignment of CDBG Public Service funds for resident initiatives in Section 8 housing this fiscal year. With minor adjustments, this program can also be offered to public housing residents. A study will be conducted to explore the possibility for the implementation of this program.

Strategic Goal: To improve the quality of life of Public Housing residents

Objectives:

- To design a program to provide down payment assistance to help residents become homeowners
- To develop a program designed to promote self-sufficiency among residents of Public Housing Developments
- To design an educational type program to provide residents of Public Housing with life and work skills to promote economic independence.
- Carry out projects to improve the quality of life to residents of Public Housing Developments.
- Improve or construct recreational facilities in Public Housing Developments.
- To coordinate workshops to promote the development of small business or micro-enterprises.
- To provide financial counseling and the use of external resources such as banking, non-profit organizations and Section 203K.

MONITORING

The Municipality of Caguas monitors every sub-grantee to ensure compliance with applicable regulations, including 24 CFR 570, 124 CFR 85.42, HUD Handbook 6509.2, and OMB Circulars OMB-A-110, OMB-A-128, OMB-A-187 and OMB-A-122.

The Grantee Monitoring and Performance Reporting Plan has been designed to monitor sub-recipients' performance and for fiscal management. The process is aimed at the improvement of sub-recipient's performance; augment management capacity, assure proper management of federal funds, and eliminate waste and fraud.

To achieve these goals, the Office of Planning and Permits uses a prevention-oriented approach to monitoring. The Municipality views monitoring not as a periodic exercise, but rather as an ongoing process involving open lines of communication. Such a process involves frequent telephone contacts, written communications, the thorough analysis of reports and audits, and periodic meetings.

When possible, deficiencies or situations with the potential for abuse are identified and pointed out early on in order to promote timely corrective action.

The results of monitoring activities are used in the evaluation of programs for future funding allocation. These monitoring standards and procedures apply to the following programs authorized by Title I of the Housing and Community Development Act of 1974, as amended:

1. CDBG
2. UDAG
3. Rehabilitation Loans Program
4. HOME Investment Partnerships Program
5. ESG Program

In the process of monitoring and compliance, the area in Planning Office in charge of this function prepares a list of projects according to the established need and priority. The area also established goals and objectives according to governing rules and regulation.

- Compliance with proper use of funds
- Timeliness in the execution of activities and spending
- Eligibility of expenditures
- Adequate Controls
- Capacity to carry out projects as proposed
- Identification of potential problems in compliance
- Establish follow up process and corrective measures

- Intervention that conforms to 24 CFR 570.501 (b) and 24 CFR 85.40
- Identification of conflict of interests
- Required record retention
- Presentation of performance and evaluation for Grantees Entitlement report to HUD

MONITORING WORK PLAN

FISCAL ADMINISTRATION OBJECTIVES ACTIVITIES AND ACTION 1999-2000		
OBJECTIVE	ACTIVITY	ACTION

<p>To ascertain proper use of funds by ensuring that the funds are spent on projects as proposed and solicited in the Consolidated Plan</p>	<ol style="list-style-type: none"> 1. Sight visits to projects and activities. 2. Expedite notice to request quarterly report on assignments of ESG, HOME and Public Service funds. 3. Verify activities carried out vs. activities in the original proposal. 	<ol style="list-style-type: none"> 1. Visits to Construction projects: FUNDESCO-Remanzo de Esperanza FUNDESCO-Villas del Peregrino FUNDESCO-Los Peregrinos Visits to Rehabilitation Projects: Hogar Resurrección Casa San Gerardo 2. 1/99-3/99 –29 reports received 4/99-6/99 – 22 reports received 6/99-9/99 – 10 reports received 10/99-12/99 all reports received 3. Ninety reports reviewed and confirmed as acceptable.
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<p>To ascertain compliance with time schedule on projects and activities as proposed.</p>	<p>1. To coordinate with the Public Work Unit in charge of Project development to update CDBG Project status and funding.</p>	<p>Meeting held on 1/14/99 to ascertain project status.</p> <p>Meeting held on:</p> <p>2/8/99 follow up</p> <p>3/2/99 to up date on status</p> <p>4/4/99 Status on construction of Roads</p> <p>4/13/99 At HUD to discuss timeliness in spending</p> <p>5/26 & 5/27 meeting with Vice Mayor and Directors in reference to timeliness in spending.</p> <p>6/17/99 with the Department of Public Works to update HUD on issues of timeliness and to develop work plan.</p> <p>6/25/99 Work Plan submitted to HUD.</p>
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<p>To determine billing submitted for payment is disclosing reasonable and eligible costs according to the rules and regulation of CDBG and ESG programs.</p>	<ol style="list-style-type: none"> 1. To review billings by presented for payment by non-profit organizations and to compare the same with Circular OMB A-122 2. To determine eligibility of expenditures incurred by public and private agencies for public service to ensure that the expenditures conform to Circular OMB A-87 and administrative regulations of Par 85 and OMB Circular A-122 	<p>1. FUNDESCO- Five billing paid Casa San Gerardo- None submitted Hogar Resurrección-Six billings paid Corp. Centro Urbano- additional evidence requested Neighborhood Reinv. Corp- Additional evidence requested.</p> <ol style="list-style-type: none"> 1. 7/19/99 Memo to FUNDESCO regarding payment on rehabilitation project. 8/6/99 review of eligibility of contracts for INOTEF, FUNDESCO, Hogar Resurrección and Casa San Gerardo. 8/11/99 Review of contract stipulations on second payment to NRC. 3/3/00 review of expenditures by Corp. Centro Urbano 97-98. Additional evidence was requested.
<p>To determine if there are adequate controls to prevent abuse and fraud and to ensure a sound administration and serviceable return on the investment.</p>	<ol style="list-style-type: none"> 1. Solicit copy of single audit reports to all non-profit organizations and review for compliance according to the requirements of A-133 	<ol style="list-style-type: none"> 1. A copy of the most recent single audit reports is maintained in file at the Office of Planning record retention area for each participating entity.

To evaluate capacity to complete projects as approved	1. Prepare an annual evaluation including objective attained, findings and serviceable return on the investment	Status: Active and in progress
To Identify potential problems and to assist recipients in compliance with rules and regulations.	1. Maintain adequate record of suggestions and remedies recommended in findings of non-compliance with Fair Housing.	1. Fair Housing follow up records are maintain in each recipient's file. Measures taken to comply with timeliness in the Department of Public Work, Intervention with Sueño de Amor resulted in the return of unused portion of ESG funds. Follow up was conducted in all cases in which the rendering of quarterly reports was delayed.
To follow up on recommended corrective measures.	1. Prepare reports on evaluation and result of intervention with 30 days of the exit conference with a copy to file and to the recipient	Completed in all cases were corrective measures were recommended.

ACTION PLAN

RESOURCES

The available resources for fiscal year 2000-2001 are \$28,285,679. Table I shows the municipal funds by programmatic area. The Municipalities priorities include affordable housing development and

rehabilitation, community empowerment, improvements to community facilities and infrastructure.

The Table II provides an estimate of the resources that are expected to be available for the next five years (2000-2005). The estimates to have available general funds, CDBG funds and funds from other federal resources. Mayor priorities for the next five years are education, infrastructure, housing, economic development and health.

ACTION PLAN SUMMARY OF FUNDING SOURCES

AVAILABLE RESOURCES

STRATEGIC PLAN

FYs 2000 - 2001

Funding Sources	Unobligated Balance	2000 – 01 Allocation	Total Available	Programmatic Area
Consolidated Plan				
CDBG		4,770,000		
CDBG Program Income		1,012,658		Housing and non –housing community development
Total CDBG		5,782,658		
HOME		894,000		Housing
Emergency Shelter Grant		169,000		Homeless programs
Total Consolidated Plan		6,845,658		

AVAILABLE RESOURCES
FYs 2000 – 2001
“OTHER FEDERAL RESOURCES.”

Funding Sources	Unobligated Balance	2000 – 01 Allocation	Total Available	Programmatic Area
<i>Other Federal Resources</i>				
RECD loan				Infrastructure/ Comm.Dvlpmnt
FTA				Infrastructure/ Transportation
Section 8 (2)		5,047,988		Housing
Ryan White Care Act		1,713,686		Health
F.E.M.A.			-----	Emergency Assistance
J.T.P.A.			-----	Job Training/ Econ Devlpmnt.
Head Start (HHS)		7,109,900		Education
<i>Total other Federal Funds</i>		13,871,574		
<i>State Funds</i>				
State “Law 8” Funds			-----	Community Facilities
State Highway Funds			-----	Infrastructure/ Transportation
<i>Total State Funds</i>				

AVAILABLE RESOURCES

FYs 2000 – 2001

“MUNICIPAL GENERAL FUNDS.”

Funding Sources	Not obligated Balance	2000 – 01 Allocation	Total Available	Programmatic Area
<i>Municipal General Funds (3)</i>				
Health Dept.		5,939,438		Health
Public Works Operating Fund		5,494,093		Infrastructure
Public Works Improvements				Infrastructure
Municipal Guard		3,923,176		Security
Sports and Recreation		2,964,667		Quality of Life
Culture and Tourism		1,997,691		Quality of Life/ Economic Development
Citizen Affairs/ Dept. of Family		3,255,106		Quality of Life
Education		1,696,949		Education
Economic Development		3,014,559		Economic Development
Municipal Misc. Revenue				Community Development
Local Bond Issues				Community Development
<i>Total Municipal Funds</i>		28,285,679		

**ESTIMATED RESOURCES
CONSOLIDATED PLAN
FYs 2000 – 2005**

Funding Sources	FY 2000 – 01		Fiscal Year – Current Estimates		Programmatic Area			
	Unobligated Balance	Allocation	Total Available	2001 – 02	2002 –03	2003 – 04	2004 – 05	
Consolidated Plan								
CDBG		4,770,000		4,700,000	4,650,000	4,600,000	4,550,000	
CDBG Program Income		1,012,658		-	-	-	-	Housing and non housing community development
Total CDBG		5,782,658		4,700,000	4,650,000	4,600,000	4,550,000	
HOME		894,000		951,000	992,800	1,034,600	1,076,400	Housing
Emergency Shelter Grant		169,000		189,000	198,900	208,800	218,700	Homeless programs
Total Consolidated Plan		6,845,658		5,840,00	5,841,700	5,843,400	5,845,100	

ESTIMATED RESOURCES
FYs 2000 - 2005
“OTHER FEDERAL RESOURCES.”

Funding Sources	FY 2000 – 01	Fiscal Year – Current Estimates			Programmatic Area			
		Allocation	Total Available	2001 –02	2002 –03	2003 –04	2004 –05	
<i>Other Federal Resources</i>								
RECD loan								Infrastructure/ Comm.Dvl pmnt
FTA		-		1,750,000	1,800,000	1,850,000	1,900,000	Infrastructure/ Transport ation
HUD Section 8		-		8,000,000	8,000,000	8,000,000	8,000,000	
Section 8 (2)		5,047,988		5,781,105	6,253,375	6,725,645	7,197,915	Housing
Ryan White Care Act		1,713,686		1,803,238	1,908,493	2,013,747	2,119,002	Health
F.E.M.A.		-		-	-	-	-	Emergenc y Assistanc e
J.T.P.A.		-		6,700,000	6,700,000	6,700,000	6,700,000	Job Training/ Econ Devlpmt.
Head Start (HHS)		7,109,900		7,334,337	7,556,057	7,777,778	7,999,499	Education
<i>Total other Federal Funds</i>		13,871,574		31,368,679	32,617,925	33,067,170	33,916,415	
<i>State Funds</i>								
State “Law 8” Funds		-		167,271	167,271	167,271	167,271	Community Facilities
State Highway Funds								Infrastructure/ Transport ation
<i>Total State Funds</i>		-		167,271	167,271	167,271	167,271	

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ESTIMATED RESOURCES
FYs 2000 - 2005
“MUNICIPAL GENERAL FUNDS”

Funding Sources	FY 2000 – 01			Fiscal Year – Current Estimates				Programmatic Area
	Unobligated Balance	Allocation	Total Available	2001 – 02	2002 –03	2003 –04	2004 –05	
<i>Municipal General Funds (3)</i>								
Health Dept.		5,939,438		4,900,000	4,700,000	4,300,000	3,900,000	Health
Public Works Operating Fund		5,494,093		5,924,097	6,461,603	6,999,108	7,536,613	Infrastructure
Public Works Improvements		-		-	-	-	-	Infrastructure
Municipal Guard		3,923,176		4,515,176	4,954,613	5,394,050	5,833,487	Security
Sports and Recreation		2,964,667		3,450,026	3,906,474	4,362,921	4,819,369	Quality of Life
Culture and Tourism		1,997,691		2,468,140	2,806,293	3,144,447	3,482,601	Quality of Life/ Economic Development

Citizen Affairs/ Dept. of Family		3,255,106		3,684,177	4,144,469	4,604,761	5,065,053	Quality of Life
Education		1,696,949		2,466,507	2,907,010	3,347,513	3,788,017	Education
Economic Development		3,014,559		3,178,237	3,454,320	3,683,738	3,879,822	Economic Development
Municipal Misc. Revenue		-		-	-	-	-	Community Development
Local Bond Issues		-		-	-	-	-	Community Development
<i>Total Municipal Funds</i>		28,285,679		30,586,359	33,334,782	35,836,539	38,304,962	

HOMELESS AND OTHER SPECIAL NEEDS

ACTION PLAN OBJECTIVE: Satisfaction of immediate needs of the homeless population.

The Planning Department assigns funds to non-profit organizations for the provision of emergency shelter, permanent and transitional housing and for other needs of the homeless and other population with special needs.

Plans to support this segment of the population include financial support for the provision of services and programs designed to

ensure a good quality of life. Special needs include amongst others, supportive housing, transportation, health services, housekeeping, escorts to medical appointment, daycare services, the provision of healthy meals, and passive recreation, suicide prevention, and mental health.

The Municipality will undertake the following activities in this year's Action Plan to meet the immediate needs of the homeless population:

\$4,260 in Emergency Shelter Grant (ESG) to *Casa San Gerardo* for operating costs.

\$12,000 in ESG funds for *Casa San Gerardo* for the rehabilitation of the Shelter for 25 pregnant teens and their babies which includes expenses to improve building and replace fixtures and components of existing.

\$11,350 in ESG funds for *Casa San Gerardo Shelter* for essential services such as job training, medicine and social comfort.

\$4,290 in ESG funds for *Hogar Resurrección* for the essential services of a par-time social worker to provide rehabilitation to 59 adult homeless with drug or alcohol addiction.

\$2,400 in ESG funds for *Hogar Resurrección* to cover the cost of utilities and operating cost.

\$20,500 in ESG funds for *Hogar Resurrección* to complete the rehabilitation of the building.

\$35,344 in ESG funds for *Albergue Los Peregrinos* for the essential services for 75 homeless men adults to increase the outreach and intake, nutrition services, transportation and partial payment of nurse.

\$7,400 in ESG funds for *Albergue Los Peregrinos* for the operating cost including insurance and utilities.

\$29,300 in ESG funds for *Corporación Milagros del Amor* for the operating cost of the shelter to provide homeless afflicted with HIV/AIDS, therapy, counseling and case manager and other social services.

\$14,500 in ESG funds for *Centro Nuevas Actitudes* for essential services benefiting 15 female homeless HIV/AIDS experiencing withdrawal from drugs and alcohol abuse.

\$6,700 in ESG funds for *Centro Nuevas Actitudes* for operating cost of utilities.

\$10,000 in CDBG funds for *Remanso de la Esperanza* housing project for the acquisition of kitchen equipment.

ACTION PLAN OBJECTIVE: To develop the homeless potential to the maximum capacity to ensure their ability to achieve an independent life

The Municipality will undertake the following activities in this year's Action Plan to maximize the homeless potential for independence life:

\$1,906 in ESG funds for *Casa San Gerardo* for prevention activity workshops designed for adolescents.

\$1,000 in ESG funds for *Centro Nuevas Actitudes* for prevention of homelessness.

\$3,600 in ESG funds for *Corporación Milagros del Amor* for the prevention of homelessness, consisting of 12 home management workshops to includes budget, maintenance, maximum use of resources among others. Other session will deal with family relations; stress and anger management and job related workshops.

\$6,000 in ESG funds for *Corporación Milagros del Amor* to assist participants with the payment of child daycare services to allow participants to assist to appointment for treatment and follow-up therapy.

COMMUNITY DEVELOPMENT

ANTI-CRIME PROGRAM

ACTION PLAN OBJECTIVE: To ensure the safety and improve the quality of life in the over 150 communities in Caguas.

The downward trend as shown in the crime statistics may be attributed to a strategy implemented by the municipal government that goes beyond the concept of police surveillance. The following statistic indicated the Part I crime for the year 1998 and 1999.

<u>Caguas Area</u>	<u>1999</u>	<u>1998</u>	<u>Change</u>	<u>%</u>
Murders	35	20	15	75.0
Violations	14	16	-2	-
12.5				
Robbery	558	700	-142	-
20.3				
Aggressions	238	255	-17	-6.7
Vandalism	1499	1647	-148	-9.0
Illegal apportion	1258	1147	111	9.7
Car Theft	793	928	-135	-
14.5				
Total	4395	4713	-318	-6.7

A combination of maintenance of common areas, reforestation, rehabilitation, embellishment, citizen participation and resident

empowerment are some of the contributing factors wrapped around this strategy.

Every Municipal Department plays a role in accomplishing the objective to reduce crime in Caguas. While most residents may consider this task to be the sole responsibility of the Police Department, and law enforcement is perhaps the principal deterrent of crime, the environment may be just as important in meeting this objective. A beautiful and healthy city promotes a sense of pride and responsibility amongst its residents in thus it reduces or halts acts of vandalism.

For three consecutive years, Caguas has added to or improved the resources available to the Police Officers. Some of the improvements this year included new police cars and additional uniforms. Two years ago the responsibility scope for **Municipal** Police Officers was redefined to that of **Community** Police Officers to establish community-based policing as a core strategy for crime prevention in Caguas. In this new role Police Officers acted as liaison between the residents and government to promote the solution to problems that deteriorated the quality of life in the communities. The security benefits brought about a feeling of well being to the residents of Caguas.

While the Municipal Government is pleased with the fine progress, is far from letting the guard down. This year, Caguas inaugurated the new headquarters for the Municipal Guards. In addition, police stations will be established in several communities.

HOUSING

\$134,100 in HOME funds to improve the conditions of the housing stock in Caguas and support enforcement of the Fair Housing Policy.

\$600,000 in HOME funds to provide grants ranging between \$7,000 to \$10,000 for down payment to first time homebuyers.

\$500,000 in CDBG funds for homeowners for the provision of construction material for housing minimal rehabilitation.

PUBLIC FACILITIES

ACTION PLAN OBJECTIVE: Improve quality of life for low and moderate-income families by providing attractive and safe public facilities.

\$63,800 in CDBG funds for improvements to the basketball court at San Carlos, Public Housing Development.

\$90,000 in CDBG funds to improvements to the basketball court located at Arroyo Sector.

\$160,000 in CDBG funds for improvements to the basketball court located at Borinquen Atravezada.

\$175,000 in CDBG funds for design and construction of basketball court at Antonio Domínguez School located at Rio Cañas Ward.

\$25,000 in CDBG funds for improvements to the recreational facilities at Los Claudios School at Tomás de Castro II.

\$50,000 in CDBG funds for improvements to the basketball court at Turabo Arriba.

\$25,000 in CDBG funds for improvements to the baseball park at Villa Esperanza.

\$60,000 in CDBG funds for the construction of jogging track at Santa Elvira located at Tomás de Castro

\$140,000 in CDBG funds for land acquisition to develop a multi-use center at Dr. Rufo Street corner of Barbosa Street

ECONOMIC DEVELOPMENT

ACTION PLAN OBJECTIVE: To Stimulate economic development in the city.

The Municipal Community Development Bank has initiated a series of activities aimed at promoting the economic sector in the city of Caguas. By the use of a revolving loan fund, an innovative loan program for commercial, housing and Small Business Administration loans was launched. This program is creative in terms of procuring new partners, deals, leverage possibilities, ventures, new projects and increased job opportunities. One of the main objectives of the program is to prompt the mobilization of entrepreneurs at a wider

socioeconomic levels, promoting the “Welfare to Work” and “School to Work” initiatives.

Some of the characteristics of the loan program highlight the effort to reduce government dependency through the empowerment of participants. The program is design to offer opportunities to all persons, specially entrepreneurs, authorized street vendors, welfare recipients, students that have demonstrated business ownership potential, family enterprises, public housing residents and public transportation providers.

The Municipality will also undertake the following activities to promote the economy in Caguas.

\$705,231 in CDBG funds from Section 108 for the loan payment on the construction of the Theater of Fine Arts, Commercial Parking Building, Bus Terminal II and the Agriculture Center as part of the revitalization of the Traditional Urban Center.

\$550,000 in CDBG funds for Section 108 loan payment on the revitalization project for Barriada Morales, land acquisition and infrastructure construction.

\$80,000 in CDBG funds for the establishment of the Enterprise Management Assistant Library.

INFRASTRUCTURE

ACTION PLAN OBJECTIVE: Improve and increase the facilities by the development of new infrastructure in Caguas.

Municipality has made good progress in the area of infrastructure in the rural and urban zones of Caguas. This year, Caguas has assigned funds to address improvements to major avenues that required of restructure in order to ensure order and the safety of pedestrians. Also has assigned funds for infrastructure improvements and new infrastructure development to ensure an adequate drinking water supply for its residents and improvements to the sewer system.

\$500,000 in CDBG funds for street improvement at Muñoz Marín Avenue and Degetau Avenue.

\$100,000 in CDBG funds for sidewalks Improvement at Villa Turabo

\$20,000 in CDBG funds for improvement to the bridge at Las Carolinas

\$6,877 in CDBG funds for street improvement at Villa Nueva

\$60,000 in CDBG funds for street improvement at La Union Sector

\$47,500 in CDBG funds for infrastructure improvements to ensure the drinking water supplies at La Mesa Sector

\$22,650 in CDBG funds for infrastructure improvements to ensure the drinking water supplies Naranjito Sector

\$22,100 in CDBG funds for infrastructure improvements to ensure the drinking water supplies at La Sierra Sector

\$75,000 in CDBG funds for sewer Improvements at Villa Blanca

\$125,000 in CDBG funds for the removal of architectural barriers and reconstruction of the main entrances to bathrooms and ramps at neighborhood facilities.

\$118,000 in CDBG funds for the reconstruction of municipal roads and streets and gutters at Camino Santa María and Camino de Petra.

\$82,000 in CDBG funds for the reconstruction of municipal roads including gutters, asphalt and sidewalks at Las Piñas.

\$90,000 in CDBG funds for the reconstruction of municipal roads and streets at Las Parcelas, and streets, Margaritas, Azucena, Orquidia, Los Colon, Los Neris, Los Marcanos, Los Fontanes, Los Aldeas, Los Carrascos and Los Delgados located at Tomás de Castro Ward.

\$50,000 in CDBG funds for the reconstruction of municipal roads and streets including gutters and asphalt at Valle Hermoso, Tomás de Castro II Ward.

\$90,000 in CDBG funds for the reconstruction of municipal roads and streets including gutters and asphalt at Bachiche de León, La Cantera, Los Velez, and Los Solá at Cañaboncito Ward.

\$70,000 in CDBG funds for the reconstruction of municipal roads and streets at Bairro La 25, Colinas de Bairro, El Fanguito and Las Carolinas main entrance, located at Bairro Ward.

PLANNING AND ADMINISTRATION

ACTION PLAN OBJECTIVE: To ensure execution of community development activities, program management and coordination of public information related to Federal Funds Programs.

To absorb some of the cost of managing the federal funded programs, the Municipality has assigned funds as authorized. The allocation will cover the reasonable cost of administration and carrying charges related to the planning and execution of community development activities assisted by CDBG, ESG and HOME funds in whole or in part and where applicable, housing activities covered in the housing assistance plan. The funds also cover the cost of general management and coordination, assignment of funds through the evaluation and endorsement of proposals, dissemination of public information, fair housing activities, indirect costs, report preparation and performance monitoring on projects and services funded including IDIS Data.

\$954,000 in CDBG funds for planing and capacity building to develop and execute functional plans such as action plan, citizen

participation, Continuum of Care plan, land use and urban design, transportation, social needs, open space and recreation as part of the Annual action plan. Other plans and studies such as neighborhood revitalization plans, economic and social studies and capital improvement program. CDBG funds for planning and administration; general management and coordination, public information, fair housing activities, indirect cost, report production and monitoring project performance and services including updates to IDIS data

\$8,450 in ESG funds for administration and planning, proposal evaluation and plan to satisfy the immediate needs of the homeless population and to strengthen the continuum of care plan.

\$89,400 in HOME funds for program administration and for the provision of necessary administrative tools to service the low-income population in need of housing.

PUBLIC SERVICE

ACTION PLAN GOAL: To improve the quality of life principally for those of low and moderate income by strengthening the family institution.

The Social Development & Empowerment Department works directly with residents to address obstacles to community and economic development. Through this department, planners and organizers worked with targeted communities to help them identify neighborhood strengths and needs, establish community-based organizations, and design strategies for community revitalization. It has been through these means that the Municipality has been able to identify and prioritize many of the improvements needed in the communities in terms of recreational facilities and infrastructure as well as the need to provide social events and activities. This year, to promote Culture and for Social Development and Empowerment funds have been assigned to the following:

\$112,073 in CDBG funds to provide the communities a network of information and services to improve living conditions by promoting self-initiative amongst residents

\$118,377 in CDBG funds to provide workshops to residents of Caguas to develop their artistic abilities to their full potential including activities such as Encounter in Town, Museum of Tobacco, Historic Museum, Vocal Techniques, Puppet Theater, Bell Choir, Dance and Theatre.

\$53,800 in CDBG funds for *Instituto de Orientacion y Terapia Familiar* to avail this institution of a facility to provide psychological services and therapy.

\$21,264 in CDBG funds for a Program to support counseling and supervision of low-income residents to promote initiate and empowerment.

SENIOR PROGRAMS

ACTION PLAN GOAL: To strengthen the family institution by improving the quality of life for those families of low and moderate income.

Since 1997, the Municipality of Caguas has been providing a special type of assistance to the senior citizen population. This is accomplished by supporting two programs that benefit the elderly as well as the family member in charge of their care. The *Ama de Llaves* program provides assistance in the areas of personal hygiene, cooking, cleaning, administering medication, food shopping, laundry and escort to medical appointments. The *Respiro* program provides a time of relief to the family member who is the caretaker of a bedridden or severely impaired relative at home.

These programs have rendered excellent results since their implementation. Last year between the two programs including the meal at home delivery service, a total of one hundred and fifty four (154) residents that otherwise would have had to resort to either, a convalescent or aging homes were able to remain at home. There

are two hundred and fifty (250) families on the waiting list, for this type service.

To ensure a good quality of life for the senior population the Municipality of Caguas has assigned:

\$181,906 in CDBG funds for two programs; Housekeeper Program for the elderly to support the need for services at home and Health Assistance for the Elderly daycare Center Pedro La Santa.

\$147,080 in CDBG funds for the Sports and Recreation Program to promote sports through community recreational leaders and for an aerobic program for the elderly and the public.

YOUTH PROGRAMS

ACTION PLAN OBJECTIVE: Reduce the suicide rate among adolescents in Caguas.

In addition to providing adequate recreational facilities with easy access, sports and cultural events, city embellishment and reforestation, the Municipal Government is also placing emphasis in the provision of mental health services. Making a conscientious effort to provide for the physical health of the city and its' residents, seems to fall short unless the provision unfurls into mental well being.

Recent studies carried out in Caguas have identified a disturbingly high suicide rate among adolescents. According to the Center for

Disease Control, suicide is considered as the third leading cause of death among young people between the ages of 15 and 24.

Another study by the Regional Hospital in Caguas identified a steady increase in the number of suicide attempts in Caguas from 1991 to 1994. This study identified the most common reasons contributing to adolescent suicide as being family related: poor communication within the family, alcoholism and low income. Primary mental health care clinics have a proven ability to attend to the emotional needs of at-risk youth and their families.

To provide family mental health services and reduce the suicide rate among adolescents in Caguas, the Municipality has assigned:

\$81,000 in CDBG funds for the Adolescent Suicide Prevention Program.

Also, *Instituto de Orientación y Terapia Familiar* will provide psychological, speech and language therapy, social work, vocational and academic tutoring to children, adolescents and their family.

SPECIFIC PROGRAM REQUIREMENTS

HOME PROGRAM REQUIREMENTS

Resale/Recapture Guidelines for First Time Homebuyers

When net proceeds of the sale of a home are insufficient to repay both the HOME investment plus the homeowner's investment, the following conditions apply:

If the sale occurs during the first five years, the Municipality will recapture the full HOME investment and the homeowner will receive the remaining proceeds, if any.

If the sale occurs between the sixth and tenth years, the homeowner will receive up to, 25% of his or her investment and the Municipality will recapture the remaining proceeds.

If the sale occurs between the eleventh and fifteenth years, the homeowner will receive up to 50% of his or her investment and the Municipality will recapture the remaining proceeds

If the sale occurs between the sixteenth and the twentieth years, the homeowner will receive up to 75% of his or her investment and the Municipality will recapture the remaining proceeds.

The recapture by the homeowner according to the percentages stated is possible if the sale proceeds are sufficient.

The percentage mentioned above will become effective on each anniversary date of the purchase of the property. If the property is sold between two ranges, the percent applicable is the previous one.

The HOME funds recaptured by the Municipality shall be reinvested to assist another First Time Home buyer to obtain a home within our jurisdiction. The new purchaser must also be a low-income household, and must occupy the property as their principal residence.

MONITORING

The Municipality of Caguas monitors every sub-grantee to ensure compliance with applicable regulations, including 24 CFR 570, 124 CFR 85.42, HUD Handbook 6509.2, and OMB Circulars OMB-A-110, OMB-A-128, OMB-A-187 and OMB-A-122.

Caguas has a thorough Grantee Monitoring and Performance Reporting Plan in place to monitor sub-recipients' performance and fiscal management. The goals of this monitoring process are aimed at the betterment of sub-recipient's performance; augment

management capacity, assure proper management of federal funds, and eliminate waste and fraud.

To achieve these goals, the Office of Planning and Permits uses a prevention-oriented approach to monitoring. The Municipality views monitoring not as a periodic exercise, but rather as an ongoing process involving open lines of communication. Such a process involves frequent telephone contacts, written communications, the thorough analysis of reports and audits, and periodic meetings. Whenever possible, deficiencies or situations with the potential for abuse are identified and pointed out early on in order to promote timely corrective action.

The results of monitoring activities are used in the evaluation of programs for future funding allocation. These monitoring standards and procedures apply to the following programs authorized by Title I of the Housing and Community Development Act of 1974, as amended:

1. CDBG
2. UDAG
3. Rehabilitation Loans Program
4. HOME Investment Partnerships Program
5. ESG Program

In the process of monitoring and compliance, the area in Planning Office in charge of this function prepares a list of projects according to the established need and priority. The area also established goals and objectives according to governing rules and regulation.

- Compliance with proper use of funds
- Timeliness in the execution of activities and spending
- Eligibility of expenditures
- Adequate Controls
- Capacity to carry out projects as proposed
- Identification of potential problems in compliance
- Establish follow up process and corrective measures
- Intervention that conforms to 24 CFR 570.501 (b) and 24 CFR 85.40
- Identification of conflict of interests
- Required record retention
- Presentation of performance and evaluation for Grantees Entitlement report to HUD

MONITORING WORK PLAN

FISCAL ADMINISTRATION
OBJECTIVES ACTIVITIES AND ACTION
1999-2000

OBJECTIVE	ACTIVITY	ACTION
To ascertain proper use of funds by ensuring that the funds are spent on projects as proposed and solicited in the Consolidated Plan	<ol style="list-style-type: none"> 1. Sight visits to projects and activities. 2. Expedite notice to request quarterly reports on assignments of ESG, HOME and Public Service funds. 3. Verify activities carried out vs. activities in the original proposal. 	<ol style="list-style-type: none"> 1. Visits to Construction projects: FUNDESCO-Remanzo de Esperanza FUNDESCO-Villas del Peregrino FUNDESCO-Los Peregrinos Visits to Rehabilitation Projects: Hogar Resurrección Casa San Gerardo 2. 1/99-3/99 –29 reports received 4/99-6/99 – 22 reports received 6/99-9/99 – 10 reports received 10/99-12/99 all reports received 3. Ninety reports reviewed and confirmed as acceptable.

<p>To ascertain compliance with time schedule on projects and activities as proposed.</p>	<p>1. To coordinate with the Public Work Unit in charge of Project development to update CDBG Project status and funding.</p>	<p>Meeting held on 1/14/99 to ascertain project status.</p> <p>Meeting held on:</p> <p>2/8/99 follow up</p> <p>3/2/99 to up date on status</p> <p>4/4/99 Status on construction of Roads</p> <p>4/13/99 At HUD to discuss timeliness in spending</p> <p>5/26 & 5/27 meeting with Vice Mayor and Directors in reference to timeliness in spending.</p> <p>6/17/99 with the Department of Public Works to update HUD on issues of timeliness and to develop work plan.</p> <p>6/25/99 Work Plan submitted to HUD.</p>
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<p>To determine billing submitted for payment is disclosing reasonable and eligible costs according to the rules and regulation of CDBG and ESG programs.</p>	<ol style="list-style-type: none"> 1. To review billings by presented for payment by non-profit organizations and to compare the same with Circular OMB A-122 2. To determine eligibility of expenditures incurred by public and private agencies for public service to ensure that the expenditures conform to Circular OMB A-87 and administrative regulations of Par 85 and OMB Circular A-122 	<p>1. FUNDESCO- Five billing paid Casa San Gerardo- None submitted Hogar Resurrección-Six billings paid Corp. Centro Urbano- additional evidence requested Neighborhood Reinv. Corp- Additional evidence requested.</p> <p>1. 7/19/99 Memo to FUNDESCO regarding payment on rehabilitation project. 8/6/99 review of eligibility of contracts for INOTEF, FUNDESCO, Hogar Resurrección and Casa San Gerardo. 8/11/99 Review of contract stipulations on second payment to NRC. 3/3/00 review of expenditures by Corp. Centro Urbano 97-98. Additional evidence was requested.</p>
<p>To determine if there are adequate controls to prevent abuse and fraud and to ensure a sound administration and serviceable return on the investment.</p>	<p>1. Solicit copy of single audit reports to all non-profit organizations and review for compliance according to the requirements of A-133</p>	<p>1. A copy of the most recent single audit reports is maintained in file at the Office of Planning record retention area for each participating entity.</p>

To evaluate capacity to complete projects as approved	1. Prepare an annual evaluation including objective attained, findings and serviceable return on the investment	Status: Active and in progress
To Identify potential problems and to assist recipients in compliance with rules and regulations.	1. Maintain adequate record of suggestions and remedies recommended in findings of non-compliance with Fair Housing.	1. Fair Housing follow up records are maintain in each recipient's file. Measures taken to comply with timeliness in the Department of Public Work, Intervention with Sueño de Amor resulted in the return of unused portion of ESG funds. Follow up was conducted in all cases in which the rendering of quarterly reports was delayed.
To follow up on recommended corrective measures.	1. Prepare reports on evaluation and result of intervention with 30 days of the exit conference with a copy to file and to the recipient	Completed in all cases were corrective measures were recommended.

ANNEX

Maps

Point of interest and Low/Mod Income Areas

Distribution of Consolidated Plan Funds by Area

List of Proposed Projects

Geographic Distribution of Projects (maps)

Certifications

MUNICIPALITY OF-CAGUAS

General Purpose Financial Statements
June 30, 1999
(with Independent Auditor's Report Thereon)

TABLE OF CONTENTS

Page

Independent Auditor's Report

General Purpose Financial Statements:

Combined Balance Sheet - All Fund Types and Account Groups

Combined Statement of Revenues, Expenditures and Changes in
Fund Balances - All Governmental Fund Types

Statement of Revenues and Expenditures - Budget and Actual -
General Fund-Non GAAP Budgetary Basis

Statement of Revenues, Expenses and Changes in Retained
Earnings - Proprietary Fund Type

Statement of Cash Flows - Proprietary Fund Type

Notes to General Purpose Financial Statements

Pannell Kerr Forster

INDEPENDENT AUDITOR'S REPORT

Hon. William Miranda Marín
Mayor
Commonwealth of Puerto Rico
Municipality of Caguas

We have audited the accompanying general purpose financial statements of the Municipality of Caguas, as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Municipality's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

Except as discussed in the following paragraphs, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Governmental Accounting Standards Board Technical Bulletin 981, Disclosures About Year 2000 Issues, requires disclosure of certain matters regarding the year 2000 issue. The Municipality has included such disclosures in Note 11 to the financial statements. Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support the Municipality's disclosures with respect to the year 2000 issue made in Note 11. Further, we do not provide assurance that the Municipality's is or will be year 2000 ready, that the Municipality's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Municipality's does business will be year 2000 ready.

Hon. William Miranda Marin
Mayor
Commonwealth of Puerto Rico
Municipality of Caguas
Page 2

In our opinion, except for the effects of such adjustments, if any, that might have been determined to be necessary had we been able to examine evidence regarding the Year 2000 disclosures as described in the preceeding paragraph the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Municipality of Caguas as of June 30, 1999, and the results of its operations and cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated October 11, 1999 on our consideration of the Municipality's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

MUNICIPALITY OF CAGUAS

Statement of Revenues, Expenses and Changes in Retained Earnings - Proprietary Fund Type Year Ended June 30, 1999

Revenues:

Charges for services	\$97
Rent revenue	710
Gain on sale of assets	612
Other	373

Total revenues	1,794
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Expenses:

Payroll and related expenses	607
General and administrative	1,618
Depreciation	283

Total expenses	2,510
----------------	-------

Income before transfer from general fund	(715,
--	-------

Operating transfer from general fund	200
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Operating transfer to capital project fund	(497,
--	-------

Net (loss)	(1,013,
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Retained earnings at beginning of year	19,859
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Retained earnings at end of year	\$18,845
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See notes to general purpose financial statements

MUNICIPALITY OF CAGUAS

Statement of Cash Flows - Proprietary Fund Type Year Ended June 30, 1999

Cash flows from operations:	
Net (loss)	(1013,700)
Adjustments to reconcile net (loss) to net cash (used in) operations:	
Depreciation and amortization	283,600
Increase in due to other funds	275,800
Increase in accounts receivable	(130,000)
Gains on sale of fixed assets	(612,600)
Net cash (used in) operating activities	(1,196,900)
Net cash provided by investing activities:	
Proceeds from sale of fixed assets	1,230,000
Net (decrease) in cash and cash equivalents	(33,100)
Cash and cash equivalents at beginning of year	5,370,400
Cash and cash equivalents at end of year	\$5,403,500

See notes to general purpose financial statements

MUNICIPALITY OF CAGUAS

Notes to General Purpose Financial Statements
June 30, 1999

Note 1 - Organization and summary of significant accounting policies

The Municipality of Caguas (the Municipality), founded in 1894, is a municipality of the Commonwealth of Puerto Rico. It is governed by a Mayor and a 16 member Municipal Assembly elected for a four year term. The Municipality provides services to its residents in the areas of health, public works, education, public safety, urban development, culture and recreation, and other services.

The accompanying general purpose financial statements have been prepared in conformity with generally accepted accounting principles as applicable to governmental entities. The following is a summary of significant accounting policies:

A. Financial reporting entity

In evaluating how to define the Municipality for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the provisions of Statement No. 14 of the Governmental Accounting Standards Board (GASB). The basic, but not the only criterion for including a potential component unit within the reporting entity is if elected officials of a primary government are financially accountable for the entity. Financial accountability exists if the primary government appoints a voting majority of the entity's governing body and if either one of the following conditions exist; the primary government can impose its will on the other entity or the potential exists for the other entity to (1) provide specific financial benefits to or (2) impose specific financial burdens on the primary government. A second criterion used in evaluating potential component units is if the nature and significance of the relationship between the entity and a primary government are such that to exclude the entity from the financial reporting entity would render the financial statements misleading or incomplete. Based on the above criteria there are no potential component units which should be included in the general purpose financial statements.

B. Basis of presentation

The accounts of the Municipality are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses as appropriate. The various funds are summarized by type in the accompanying general purpose financial statements. The Municipality records its transactions in the fund types and account groups described below. Transactions between funds within a fund type, if any, have been eliminated.

MUNICIPALITY OF CAGUAS
Notes to General Purpose Financial Statements (continued)
June 30, 1999

Governmental fund types

Governmental funds are used to account for the Municipality's expendable financial resources and the related liabilities. The measurement focus is upon

determination. of any changes in financial position.
comprised of:

Governmental funds are

General fund

The general fund is used to account for all financial transactions, except those required to be accounted for in another fund.

Special revenue funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than debt service or capital projects) such as federal grants, that are legally restricted to expenditures for specified purposes.

Debt service fund

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital project funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction or major capital facilities, (other than those financed by proprietary funds).

Proprietary fund type

Proprietary fund is used to account for activities which are similar to operations in the private sector. The proprietary fund includes an enterprise fund.

Enterprise fund

The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the cost of providing goods and services (including depreciation) be financed or recovered primarily through user charges, or where the Municipality has decided that periodic determination of revenues earned and expenses incurred is appropriate.

MUNICIPALITY OF CAGUAS

Notes to General Purpose Financial Statements (continued)
June 30, 1999

Account groups

Account groups are used to establish accounting control and accountability for the Municipality's general

fixed assets and the unmatured principal of its general longterm debt and other long-term obligations.

General fixed assets account group

This account group is used to account for all general fixed assets of the Municipality, other than those accounted for in the enterprise fund.

General long-term debt account group

This account group is used to account for all longterm debt including bonds, notes, loans and other long-term liabilities, other than those accounted for in the enterprise fund.

C. Basis of accounting

The basis of accounting determines when the Municipality recognizes revenues and expenditures/expenses and related assets and liabilities.

Governmental fund types follow the modified accrual basis of accounting. Under this basis of accounting, revenues are recorded in the accounting period in which they become susceptible to accrual, that is, when they become both measurable and available. Available is defined as expected to be collected within the current period or soon enough thereafter to be used to pay liabilities of the current period.

In applying the susceptible to accrual concept to governmental revenues, there are essentially two types of revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Municipality; therefore, revenues are recognized based upon the expenditures incurred. In the other, monies are virtually unrestricted and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

The Municipality reports deferred revenue on its combined balance sheet. Deferred revenue arises when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. Deferred revenue also arises when resources are received by the Municipality before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures.

MUNICIPALITY OF CAGUAS

Notes to General Purpose Financial Statements (continued)

June 30, 1999

In subsequent periods, when both revenue recognition criteria are met, or when the Municipality has a legal claim to the resources, the liability for deferred revenues is removed from the combined balance sheet and revenue is recognized.

Expenditures and related liabilities are generally recorded, except as described below, in the accounting period in which the liability is incurred. Expenditures and related liabilities for interest on longterm obligations, are recorded when due, except for interest due July 1 of the following year which is accounted for as paid on June 30. Vacation,

sick leave, disallowances and litigation are recorded in the general longterm debt account group.

The general fund subsidizes part of the operations reported in the enterprise fund through operating transfers. The Municipality records operating transfers from the general fund to the enterprise fund to the extent the liabilities reported in the enterprise fund would be liquidated with expendable available financial. Since the amount of general compensated absences for the enterprise resources fund vested during 1989 is not known, the required transfer from the general long-term debt account group was not recorded. As a result the amount due by the enterprise fund or accrued compensated absences is included in the general longterm debt account group.

Licenses, permits, service charges, fines and forfeits and miscellaneous revenues are recorded as revenues on the cash basis which includes amounts collected shortly after June 30. Investment income is recorded as revenue when earned.

The enterprise fund follows the accrual basis of accounting. Under the accrual basis, revenue is recognized when earned and expenses are recorded as liabilities when incurred, without regard to receipt or payment of cash, except that pension contributions are not recorded in accordance with generally accepted accounting principles.

D. Budgetary accounting

The Municipality's annual budget is prepared on the budgetary basis of accounting and represents departmental appropriations recommended by the Mayor and approved by the Municipal Assembly prior to the beginning of the fiscal year. Budgetary control is maintained at the department level for each individual appropriation.

Amendments to the budget, and budgetary transfers related to personal expenditures, require the approval of the Municipal Assembly. Noncapital encumbrances lapse at the end of the next fiscal year.

Since the budgetary basis differs from generally accepted accounting principles (GAAP), actual amounts for the general fund in the accompanying Statement of Revenues and Expenditures- Budget and Actual General Fund is presented on the budgetary basis to enhance comparability.

MUNICIPALITY OF CAGUAS

Notes to General Purpose Financial Statements (continued) June 30, 1999

The principal differences between the budgetary and GAAP bases are the following:

1. Encumbrances are considered as expenditures for budgetary Purposes.
2. Prior year encumbrances settled during the year and recorded as expenditures for GAAP Basis.
3. Effect of GAAP basis accruals.
4. Effect of Municipal Assembly resolution less deferred revenue recognized as revenue during the year.

The following is a reconciliation, of the differences between GAAP and the budgetary basis for the general funds excess of expenditures and other financing uses over revenues and other financing sources:

GAAP basis	\$141,338
Prior year encumbrances settled during the current year	2,999,773

Other accruals	892,047
Current year encumbrances treated as current year expenditures for budgetary purposes	(2,511,214)
Municipal Assembly resolutions	3,638,000
Deferred revenue	(767,073)
	\$ 4,392,871

E. Cash and investments

Substantially all cash balances are commingled in a general checking account and several special purpose bank accounts, except for cash and investments restricted by law. Each fund records its equity interest in the pooled cash balance. The available cash balance in the general checking account beyond immediate needs is invested in interest bearing deposits. Investment earnings are all credited to the general fund.

The Municipality of Caguas carried its investments at amortized cost which at June 30 suffered a market decline in value of \$1,766,646 as shown in note 3. Investment is composed of shortterm, highly liquid U.S. Treasury Securities which are not covered by the provisions of GASB Statement No. 31 "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" therefore the Municipality does not account for changes in the market value of its investments at the closing of the period.

Cash with fiscal agent represents property tax collections retained by the "Centro de Recaudaciones de Ingresos Municipales" (CRIM) and restricted for the payment of the Municipality's debt service.

MUNICIPALITY OF CAGUAS

Notes to General Purpose Financial Statements (continued) June 30, 1999

Also the municipality included in its cash and investments balance of the enterprise fund an escrow account. The escrow account was established for the purpose of accumulating all sales proceeds from the sale of the Consolidated Mall, which was constructed with Federal funds. As part of the agreement, the Federal Agency imposed restrictions in the use of the escrow funds explained further in note 6.

F. Interfund transactions

The Municipality has the following types of transactions among funds:

Operating transfers - Transfers that are reported when incurred as "Operating transfers in" by the recipient fund and as "Operating transfers out" by the disbursing fund.

The general fund provides services, at cost, to other funds. The amounts charged to other funds are treated as reductions in expenditures of the general fund. Transfers from the general fund to the enterprise fund to subsidize operations are recorded as operating transfers.

G. General fixed assets

General fixed assets acquired or constructed are reported as expenditures in the fund that finances the acquisition and are capitalized at cost in the general fixed assets account group. Donated general fixed assets are reported at estimated fair market value at the date received.

Certain improvements such as roads, streets, bridges, curbs and gutters sidewalks are not capitalized.

Such assets normally are immovable and of value only to the Municipality. Therefore, the purpose of stewardship for capital expenditures is satisfied without recording these assets. Depreciation is not provided on general fixed assets.

H. Enterprise fund fixed assets

Property and equipment of the enterprise fund are stated at cost. Building depreciation is provided over the estimated useful life of fifty years on a straight-line basis.

Certain buildings of the enterprise fund are located on land owned by the governmental funds which are presented in the general fixed assets account group. These funds do not charge the enterprise fund for its use of the land.

I. Compensated absences

Employees accrue vacation leave at a rate of 2.5 days per month up to a maximum of 60 days. Unpaid vacation time accumulated is fully vested to the employees from the first day of work. This liability is presented in the general long-term debt account group because it will not be funded with available expendable financial resources at June 30, 1999.

MUNICIPALITY OF CAGUAS

Notes to General Purpose Financial Statements (continued)

June 30, 1999

Employees accumulate sick leave at a rate of 1.5 days per month up to a maximum of 60 days. Upon retirement, an employee receives compensation for all accumulated unpaid sick leave at the then current rate, if the employee has at least 10 years of service with the Municipality. This liability is presented in the general long-term debt account group because it will not be funded with available expendable financial resources at

June 30, 1999.

General long-term debt includes \$3,567,274 of accrued vacation benefits and \$4,720,346 of accrued sick leave benefits, representing the Municipality's commitments to fund such compensated absences from future operations.

J. Long-term debt

The liabilities reported in the general long-term debt account group include the Municipality's general obligation bonds and notes, and other long-term liabilities including vacation, sick leave, and litigation.

K. Reservations of fund balance

Reservations of fund balance represent portions of fund balances that are legally segregated for a specific future use or are not appropriable for expenditure. The Municipality has the following reservations of fund balance:

Encumbrances - Represent future expenditures under purchase orders, contracts and other commitments. These committed amounts generally will become liabilities in future periods as the goods or services are received.

Debt service Represents net assets available to finance future debt service payments.

Capital projects Represent net assets available to finance future capital outlays.

L- Claims and judgments

The estimated amount of the liability for claims and judgments which is due on demand, such as from adjudicated or settled claims, is recorded in the general fund- The general long-term debt account group includes an amount estimated as a contingent liability or liabilities with a fixed or expected due date which will require future available financial resources for its payment.

MUNICIPALITY OF CAGUAS

Notes to General Purpose Financial Statements (continued)

June 30,
1999

M. Use of estimates

Management of the Municipality has made certain estimates and assumptions relating to the reporting of assets and liabilities to prepare these general purpose financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

N. Total (memorandum only) columns

The total columns are presented only to facilitate additional analysis. The total represents a summation of the general purpose fund types and account groups that use different basis of accounting. Interfund transactions have not been eliminated. Consequently, amounts shown in Totals (Memorandum Only) Columns are not comparable to a consolidation and do not represent the total resources available or total revenues and expenditures/expenses of the Municipality.

Note 2 - Annual revenues

A. Property taxes

The Municipal Revenue Collection Center (the Center) is responsible for the assessment of all real and personal property located within the Municipality of Caguas and for the levy, administration and collection of the corresponding taxes.

The property tax is levied each year on the assessed value of the property at the beginning of the calendar year. Assessed values of real property are established at the estimated current value existing in the year 1957 and of personal property at the current value at the date of assessment.

Complete real property tax exoneration is granted by the Commonwealth of Puerto Rico on the first \$15,000 of

the assessed valuation of owner occupied residential units. However, the Municipality receives the full amount levied, except for residential units assessed at less than \$3,500 on which a complete exemption is granted. Complete exemption from personal property taxes up to an assessment of \$50,000 is granted to retailers with an annual volume of net sales under \$150,000. The Department of the Treasury instead of the property taxpayer becomes the source of payment in these cases.

MUNICIPALITY OF CAGUAS

Notes to General Purpose Financial Statements (continued) June 30, 1999

The annual tax rate for fiscal year 1999 is 8.38% for real property and 6.38% for personal property of which 1.03% of both belongs to the Commonwealth of Puerto Rico. The remaining percentage is distributed as follows: (a) 6.00% and 4.00% respectively, represent the Municipality's basic property tax rate which is appropriated for general purposes and accounted in the general fund. Such amount is deposited by the Center in an equalization fund together with a percentage of the net revenues of the Puerto Rico electronic lottery and a subsidy from the Commonwealth of Puerto Rico. From such fund, a distribution is made to all municipalities; (b) 1.35% represents the ad valorem tax restricted for debt service and accounted for in the debt service fund.

The Commonwealth also contributes an annual tax rate of .20% of each of the tax rates due to a discount granted by the state to the tax-payers.

Since the collection of property taxes from the tax-payers is under the administration of the Center, the Municipality records the revenues related to property

taxes, net of the operational expenses allocated by the Center to the Municipality, when such revenues are reported by the Center. During 1999 the allocated expenses amounted to \$937,444.

The amount receivable or payable arising from the fiscal year end settlement of actual property tax collections versus property tax advances made by the center to the municipality is not known. Advances of property tax on (a) and (b) above, are recorded as revenues on the General Fund and Debt Service Fund, respectively. These amounts are preliminary and could be subject to changes. Changes will be accorded in the period reported by the center.

B. Municipal license taxes

The Municipality imposes a volume of business tax pursuant to Act No. 82 of August 30, 1991, on all business entities which operate within the Municipality which are not exempt from the tax pursuant to the Industrial Incentives Act. The tax is based on gross revenues, as defined by law, computed at the rate of 1.50% for financial institutions and savings and loans associations, and .50% for all other business entities.

The minimum gross revenue to file the Volume of Business Tax Declaration is \$5,000 and the minimum tax payable is \$25. The date to file the Volume of Business Tax Declaration is April 15. The Municipality grants a five percent discount, if the taxes are paid on or before April 15. Otherwise, 50% of taxes payable must be paid within the first 15 days of each semester beginning with the first semester ending December 31.

MUNICIPALITY OF CAGUAS

Notes to General Purpose Financial Statements (Continued)
June 30, 1999

The Municipality recognized an account receivable for the estimated municipal license taxes to be collected during next year but corresponding to current year and

prior years.

Municipal license taxes collected prior to June 30 but pertaining to the next fiscal year are recorded as deferred revenues.

Nite 3 - Cash and investments

Puerto Rico laws authorize governmental entities to invest in direct obligations or obligations guaranteed by the federal government or the Commonwealth of Puerto Rico. The Municipality is also allowed to invest in bank acceptances, other bank obligations and certificates of deposit in financial institutions authorized to do business under the federal and Commonwealth laws. During the year, the Municipality invested its funds in interest bearing bank accounts, and short term certificates of deposit.

There are three categories of credit risk that apply to the government's cash and investments:

1. Insured or registered or for which the securities are held by the government or the government's agent in the government's name
2. Uninsured and registered for which the securities are held by the Financial Institution's trust department or the government's agent in the government's name
3. Uninsured and unregistered for which the securities are held by the Financial Institution's. This category also includes repurchase agreements with no underlying securities:

Balances held in each category are as follows:

	1	Categories		Bank	Carrying
		2	3	Balance	Amount
Cash	\$512,595	\$ 9,513,328	\$24,488,864	\$34,514,787	\$31,467,390
U.S. Government securities	12,286,973	-	-	12,286,973	14,053,619
Certificates of deposits	287,405	15,477,013	-	15,764,418	15,764,418
	\$13,086,973	\$24,990,341	\$24,488,864	\$62,566,178	\$61,285,427

MUNICIPALITY OF CAGUAS

Notes to General Purpose Financial Statements (continued) June 30, 1999

Note 4 - Interfund transactions

Due from/to other funds

Interfund receivables and payables generally reflect temporary loans, billings for services provided and recovery of expenditures.

Following is a summary of interfund balances as of June 30, 1999:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
	Special revenue	\$2,079,522
	Capital project	2,670,000
	Enterprise	356,134
	Debt service	55,440
General		\$5,161,096
Special revenue		\$99,869
Enterprise		2,005,700
	General	\$2,105,569

Note 5 - Intergovernmental receivables and payables

Sources of intergovernmental revenues are primarily of governmental payments from the Commonwealth of Puerto Rico and "in lieu of tax" payments from certain quasi public corporations, such as Puerto Rico Electric Power Authority. The estimated amounts for the year 98-99 are as follows:

Estimated	Estimated Receivable		
	Contribution in	Service	Net
	Lieu of Tax as of	Expense	
	June 30, 1999	Payable	Receivable
Puerto Rico Electric			

Power Authority	\$3,216,249
\$3,921,027	\$ (704,778)

Grants and subsidies received from the Commonwealth of Puerto Rico include, among others, a general subsidy for capital improvements.

The former Puerto Rico Telephone Company, beginning the calendar year 1998, will no longer pay the contribution in lieu of taxes to the Municipality. Instead the Law 96 of June 24, 1998 was enacted and provide an allocation rule where municipalities are entitled to a municipal license tax. The municipal license tax paid amounted \$148,828.

MUNICIPALITY OF CAGUAS

Notes to General Purpose Financial Statements (continued) June 30, 1999

Note 6 - Property and equipment

The amounts reported as property and equipment represent an estimated amount based upon a property subsidiary ledger, which was prepared and adjusted throughout the fiscal year 1998-99. Management is still updating and adjusting the property subsidiary ledger. The following summarizes the changes in the general fixed assets account group for the year ended June 30, 1999:

	Balance June 30, 1998	Additions	Retirements	Balance June 30, Adjustments	
Land	\$9,599,214	\$ -	\$ -	\$ -\$9,599,214	
Buildings	49,382,258			49,382,258	
Equipment	22,006,682	1,236,191	(221,444)	-23,021,429	
Construction in progress	3,702,811	5,646,622		657,744	10,007,177
Improvements	16,816,850	-		159	16,817,009
	\$101,507,815	\$6,882,813	\$(221,444)	\$657,903	\$108,827

Property and equipment of the enterprise fund as of June 30, 1999 is summarized as follows:

Buildings	\$13,248,794
Improvements	204,634
	13,453,428
Less: accumulated depreciation	2,731,688
	10,721,740
Construction in progress	288,754
Property and equipment, net	\$11,010,494

On December 1, 1992 the Deputy Assistant Secretary for Economic Development approved the sale of the Municipal Consolidated Mall, which is one of the components of the Enterprise Fund, acquired and improved with Economic Development Administration (EDA) assistance and Community Development Block Grant (CDBG) funds. Among the conditions established by the approval is the establishment of an escrow account in which all sales proceeds (amounting to \$7,683,950 at June 30, 1999) less EDA approved selling costs will be deposited. EDA has a minimum fair share compensation of 16% based upon the approved average appraised value of \$11,067,500. EDA also participates in any sale's proceeds in excess of this amount proportionally. Sales proceeds during the fiscal year 9899 amounted to \$1,230,000.

MUNICIPALITY OF CAGUAS

Notes to General Purpose Financial Statements (continued) June 30, 1999

Note 7 - General long-term debt

Changes in general long-term debt for the year ended June 30, 1999 are summarized as follows:

	Bonds	Federal Loan and Notes	Loans	Total
Balance at June 30, 1998	\$48,117,000	\$ 6,514,930	\$3,738,089	\$58,370,019
Payments	(3,065,000)	(295,000)	(456,034)	(3,816,034)
New debt issued	13,300,000	280,220	-	13,580,220
Balance at June 30, 1999	\$58,352,000	\$6,500,150	\$3,282,055	\$68,134,205

As of June 30, 1999, debt service requirements for the above general longterm debt excluding the Rural Economic and Development bond anticipation note amounting to \$660,150 (see note 7B for details), are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2000	\$ 4,058,033	\$4,689,714	\$ 8,747,747
2001	4,215,033	4,415,716	8,630,749
2002	4,497,033	4,115,124	8,612,157

2003	4,420,033	3,663,783	8,083,816
Thereafter	50,283,933	15,437,243	65,721,176
	\$67,474,065	\$32,321,580	\$99,795,645

The legal debt margin of the Municipality is equal to 10% of the total assessment of property located within the Municipality. Total property assessments, based on information reported by the Municipal Revenue Collection Center amounted to approximately \$672,264,550.

A. Bonds

General obligation bonds payable as of July 2, 1999 are as follows:

Series	Interest Rate	Payable Through	Original Issue	Balance July 2, 1999
1975	9.50%	2000	\$ 1,320,000	\$90,000
1986	5.00	2011	283,000	186,000
1988	5.00	2014	85,000	68,000
1990	3.26-6.31	2005	2,395,000	1,365,000
1991	3.26-6.41	2007	4,745,000	3,260,000

MUNICIPALITY OF CAGUAS

Notes to General Purpose Financial Statements (continued)

June 30, 1999

Series	Interest Rate	Payable Through	Original Issue	Balance July 2, 1999
1990	5.00	2015	580,000	467,000
1985	5.00	2010	1,118,000	745,000
1983	5.00	2008	663,000	344,000
1986	8.20	2002	3,280,000	660,000
1986	8.20	2002	2,460,000	495,000
1986	6.13	2011	1,870,000	1,309,000
1987	8.20	2003	385,000	160,000
1990	6.26	2005	6,425,000	3,635,000
1993	5.00-7.71	2013	18,890,000	15,865,000
1995	4.70-8.00	2015	15,955,000	14,395,000
1994	5.63	2018	2,200,000	2,138,000
1998	4.88	2004	300,000	225,000
1999	8.00	2,106	13,300,000	12,945,000

Total bonds payable \$58,352,000

B. Federal loans and notes

Rural Economic and Community Development

Bond anticipation notes for \$170,864 and \$109,356 issued on 12/3/98 and

11/3/98, respectively	\$ 660,150
Sec. 108 loan \$2,240,000, interest from 3.82- 7.08 annual installments from \$60,000 to \$270,000	1,900,000
Sec. 108 loan \$4,870,000, interest from 3.82- 6.83 annual installments from \$160,000 to \$500,000	3,940,000
Total federal loans and notes	\$6,500,150

C. Loans

Operational loan of \$8,000,000 payable in annual installments of \$400,000 with interest fluctuating at cost of 936 funds plus 150 point base until 2006	\$ 2,800,000
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Operational loan \$580,000 payable in annual installments of \$29,000 at 8% interest until 2007	232,000
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MUNICIPALITY OF CAGUAS

Notes to General Purpose Financial Statements (continued) June 30, 1999

Operational loan \$540,000 payable in annual installment of \$27,033 at 8% interest until 2008	250,055
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Total loans	\$ 3,282,055
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Total general long-term debt	\$68,134,205
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Note 8 - Retirement system

Substantially, all of the Municipality's permanent employees are members of the Employees' Retirement System of the Government of Puerto Rico and its Instrumentalities (System), an age multiple-employer contributory defined benefit retirement system. Retirement and related benefits provided by the System are determined by Act 447, approved on May 15, 1951, as amended. The required contributions made by the Municipality were based on percentages established by the Administrator of the System. Such percentages were not based on actuarial studies as required by generally accepted accounting principles. An actuarial computation of the annual contribution applicable to the Municipality has not been prepared. Accordingly, the amounts by which the actual contributions differ from the required actuarial contributions are not known. The Municipality's total payroll for the fiscal year 1999 was approximately \$30,159,567, of which \$11,461,000 was not covered by the System. The annual employer contribution for the year ended June 30, 1999 amounted to approximately \$1,733,000.

The annual retirement benefits for those regular fulltime employees hired on or before March 31, 1990 or

those attaining permanent status before that date (Old Plan) and for those hired or attaining permanent status on or after April 1, 1990 (New Plan) are as follows:

<u>Old Plan</u>	
<u>Eligibility</u>	<u>Pension Benefit</u>
Age 55 and 30 years of service	75% of average highest compensation during any 3 years of credited service
Under age 55 and 30 years of service	65% of average highest compensation during any 3 years of credited service

Participants in the System who retire to 30 years of credited service are entitled to an annual retirement benefit equal to 1.5% of the highest compensation in any 3 years of credited service for each year of service up to 20 years, and 2% for each year in excess of 20 years.

MUNICIPALITY OF CAGUAS

Notes to General Purpose Financial Statements (continued)
June 30, 1999

<u>New Plan</u>	
<u>Eligibility</u>	<u>Pension Benefit</u>
Age 64 with 10 years of service	1.5% of average compensation during the final 5 years of credited services multiplied by the number of years of credited service

For both plans, the employees are vested when attaining ten years of credited service. Disability and death benefits are available with certain limitations and all annuities in pay status will be increased every three years by 3% subject to the approval by the Legislature of Puerto Rico.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits adjusted for the effects of projected salary increases and separate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employee retirement systems and employers. The most recent actuarial valuation for the System was performed as of June 30, 1994. As part of this valuation, the actuaries of the System attributed to the Municipality the following unfunded accumulated benefits:

Present value of accumulated benefits	\$16,068,015
Net assets available for benefits, at market value	-(9,176,471)
Unfunded accumulated benefits	\$ 6,891,544

Net assets of the system consist principally of investments in stocks and bonds and loans to participants. The projected unit credit actuarial cost method was used for the actuarial calculation. Significant assumptions were as follows:

	Old Plan	New Plan
Investment rate of return per year	9%	8.5%
Salary increase	6%	5%
Mortality rates table	GA'51	GA'51

MUNICIPALITY OF CAGUAS

Notes to General Purpose Financial Statements (continued) June 30, 1999

The following information applicable to the actuarial valuation attributed to the Municipality is only available as of June 30, 1994:

	<u>1994</u>
Net assets available for benefits as a percentage of total pension benefit obligations	57%
Unfunded pension benefit obligation as a percentage of covered payroll	43%

The ten-year historical trend information is available in the separately issued audited financial statements of the System.

Note 9 - Commitments

A. Operating leases

The Municipality leases various properties and equipment under operating lease agreements which generally have terms of one year or less and are automatically renewed if sufficient funds are available. Lease agreements covering periods in excess of one year are cancelable at the Municipality's option upon 30 days written notice to the lessor. Rental expenditures for the year ended June 30, 1999 amounted to approximately \$557,651.

B. General commitments

The Municipality has commitments to expend approximately \$9,000,000 to complete construction in progress at several locations within the Municipality. Federal funds amounting to \$5,100,000 and municipal funds amounting to \$3,900,000 approximately are expected to be used to satisfy these construction and improvement commitments.

Note 10 - Contingencies

A. Litigation

The Municipality is a defendant in legal matters that arise in the ordinary course of the Municipality's activities. With respect to pending and threatened litigation, the Municipality has reported liabilities of \$3,197,546 in the general long-term debt account group for anticipated unfavorable judgments. The amount presented in the general long-term debt group of account represents the amount estimated as probable liability which will require future available financial resources for its payment. The Municipality's administration and legal counsel believes that the ultimate liability in excess of amounts provided would not be significant.

26

MUNICIPALITY OF CAGUAS

Notes to General Purpose Financial Statements (continued) June 30, 1999

In addition, the Municipality is a defendant or co-defendant in several legal proceedings which are in the discovery stage. Certain of these claims are covered by insurance. The final outcome of these claims cannot be determined by legal counsel with the information currently available. As a result, the accompanying general purpose financial statements do not include adjustments, if any, that could result from the resolution of these legal proceedings.

B. Federal financial assistance

The Municipality receives financial assistance from the federal government in the form of grants or entitlements. All grants are subject to financial and compliance audits by the grantor agencies which could result in requests for reimbursement by the grantor agencies for expenditures which are disallowed under the terms of the grants. These amounts, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The Municipality's administration believes that such disallowances, if any, will not have a material adverse effect on the financial position of the Municipality.

Note 11 - Approach of the Year 2000 (unaudited)

The Municipality is presently conducting a comprehensive review of its computer systems to identify the systems that could be affected by the Year 2000 Issue. The Year 2000 Issue is the result of computer programs being written using two digits rather than four to define the applicable year. Any of the

Municipality's programs that have time-sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in a major system failure or miscalculations.

As of June 30, 1999, the Municipality Year 2000 Compliance Project (the "Project") stages and their completion are approximately as follows: (1) awareness stage 100%; (2) assessment stage 100%; (3) remediation stage 50%; (4) validation/testing stage 50%; and (5) implementation stage 50%.

The "Oficina del Comisionado de Asuntos Municipales" (OCAM) has finished the remediation and implementation stages of its Uniform Accounting System for the Municipalities in the Municipality of Caguas. But as of the date of this report a final certification on the Year 2000 Issue compliance has not been received. Due to the complexity of the Year 2000 problem, it is difficult to assert that the system or equipment is Year 2000 compliant with any certainty until after the Year 2000 begins.

SECTION XI *APPLICANT DENIED ASSISTANCE AND PROVIDE
OPPORTUNITY FOR INFORMAL REVIEW OR PARTICIPANT
ASSISTANCE IS TERMINATED AND PROVIDED OPPORTUNITY
FOR INFORMAL HEARING*

1. *Applicant Informal Review: The HA must give an applicant for participation prompt notice of a decision denying assistance to the applicant. The notice must contain a brief statement of the reasons for the HA DECISION. The notice must also state that the applicant may request an informal review of the decision and must describe how to obtain the informal review. The request must be in writing and presented to the HA within ten days of the notice of denial.*
 - A. *Informal Review Process: The HA must give an applicant an opportunity for an informal review of the HA decision denying assistance to the applicant. The review may be conducted by any person or persons designated by the HA, other than a person who made or approved the decision under review or a subordinate of this person. The applicant must be given an opportunity to present written or oral objections to the HA decision. The HA must notify the applicant of the final decision after the informal review. This notice must include a brief statement of the reason for the final decision.*
 - B. *Informal Review Not Required: An informal review is not required to be given by the HA in the following circumstancesd.*
 - (1) *Discretionary administrative determinations by the HA.*
 - (2) *General policy issues or class grievances.*
 - (3) *A determination of the family unit size under the HA subsidy standards*
 - (4) *An HA determination not to approve the suspension or extension of a certificate or voucher term.*
 - (5) *A determination not to grant approval to lease a unit under the program, or to approve a proposed lease.*
 - (6) *A determination that a unit selected by the applicant is not in compliance with HQS.*
 - (7) *A determination that the unit is not in accordance with HQS because of the family size or composition.*
2. *Participant Informal Hearing: The HA must give an opportunity to the participant for an informal hearing to consider whether the HA decisions relating to the individual circumstances of a participant family are in accordance with the law, HUD regulations, and HA policies. Under the following circumstances.*

- A determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment.*
- A determination of the appropriate utility allowance for tenant-paid utilities from the HA utility allowance schedule.*
- A determination of the family unit size under the HA subsidy standards.*
- A determination that the certificate program family is residing in a unit with a larger number of bedrooms that appropriate for the family unit size under the HA subsidy standards, or the HA determination to deny the family's request for an exception from the standards.*
- A determination to terminate assistance for participants family because of the family's action or failure to act.*
- A determination to terminate assistance because the participant family has been absent from the assisted unit for more than fourteen days in a calendar year.*

Note:

In the cases described hereinabove, the HA must give the opportunity for an informal hearing before the HA terminates housing assistance payments for the family under an outstanding HAP contact.

- A. *The HA is not required to give an informal hearing for any of the following:*
 - Discretionary administrative determinations by the HA.*
 - General policy issues or class grievances.*
 - Establishment of the HA schedule of utility allowances for families in the program.*
 - A HA determination not to approve an extension or suspension of a certificate or voucher term.*
 - A HA determination not to approve a unit or lease.*
 - A HA determination that an assisted unit is not in compliance with HQS. Provided, however, that the HA must provide the opportunity for an informal hearing for a decision to terminate assistance for a breach of the HQS caused by the family as described in the Certificate/Voucher/Lease Addendum, or in other HUD rules and regulations or HA policies.*
 - A HA determination that a unit is not in accordance with HQS because of the family size.*
 - A HA determination to exercise or not to exercise any right or remedy against the owner under a HAP contact.*
- B. *Notice to the Family: The HA must notify the family that the family may ask for an explanation of the basis of the HA determination, and if the family does not agree with the determination, the family may request an informal hearing on the decision. The housing authority must give the family prompt written notice that the family may request a hearing, and*

This notice must contain a brief statement of the reasons for the decision, state that if the family does not agree with the decision, the family may request an informal hearing on the decision. The family has ten days from the date of the notice to request in writing an informal hearing. The hearing will be scheduled by the HA within ten days from the date of the request.

- C. *Hearing Procedures: The HA must give the participant an opportunity for an informal hearing of the HA decision terminating assistance to the participant. The hearing may be conducted by any person or persons designated by the HA, other than a person who made or approved the decision under review or a subordinate of this person. The person who conducts the hearing may regulate the conduct of the hearing in accordance with the HA hearing procedures. The HA and the participant shall each have the right to review any and all relevant documents which may use in the hearing. If the documents are not made available for review, they may not be used in the hearing. Any fees for copying or procuring the documents shall be at the expense of the requesting party. The participant may be represented by a lawyer or other representative at the hearing. Costs of representation shall be the responsibility of the participant. The participant must be given an opportunity to present written or oral objections to the HA decision. The HA and the family must be given the opportunity to present evidence, and may question any witnesses. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings. The HA must notify the applicant of the final decision after the informal review. This notice must include a brief statement of the reasons for the final decision. Factual determination relating to the individual circumstances presented at the hearing. A copy of the hearing decision shall be furnished promptly to the family.*

SECTION XII. SECTION 8 APPLICANT SELECTION PROCESS

1. *Certificate or Housing Voucher Selection and Participation Process:*
- A. *Equal Opportunity: The Fair Housing Act makes it illegal to discriminate on the basis of race, color, religion, sex, handicap, familial status and national origin. This HA shall not deny any family the opportunity of applying for a Certificate of Family Participation or Housing Voucher.*
- B. *Types of Selection: the HA may admit an applicant for participation in the program either:*

- (1) as a special admission (see definition below), or
- (2) as a waiting list admission. Also, a Section 8 Participant is responsible for finding an existing housing unit suitable to the holder's needs and desires (Reference 24 CFR 982.353, Where family can lease a unit).

C. Special Admissions: If HUD awards the HA program funding that is targeted for families living in specified units:

- (1) The HA must use the assistance for the families living in these units.
- (2) The HA may admit a family that is not on the HA waiting list, or without considering the family's waiting list position. The HA must maintain records showing that the family was admitted with HUD-targeted assistance.
- (3) For housing covered by the Low-Income Housing Preservation and Resident Home ownership Act of 1990 (41 U.S.C. 4101 et seq.):
- (4) A family residing in a project covered by a project-based Section 8 HAP contract at or near the end of the HAP contract term; and
- (5) A non-purchasing family residing in a HOPE 1 or HOPE 2 project.

2. Organization of the Waiting List: The HA waiting list must contain the following information for each applicant listed:

- A. Applicant name;**
- B. Family unit size (number of bedrooms for which family qualifies under HA occupancy guidelines);**
- C. Date and time of application;**
- D. Local Preferences, if applicable.**

3. Order of Selection from the Waiting List:

- A.** When a Certificate or Housing Voucher is available, the HA will select the family at the top of the waiting list in accordance with Section XII., 2. above. The order of admission from the waiting list MAY NOT be based on family size, or on the family unit size for which the family qualifies for under the HA occupancy guidelines. If the HA does not have sufficient funds to subsidize the family unit size of the family at the top the waiting list, the HA **MAY NOT skip the top family to admit an applicant with a smaller family unit size.** Instead, the family at the top of the waiting list will be admitted when sufficient funds are available.

- B. *Provided, however, the provisions of the Deconcentration Rule, contained within this policy, shall supercede the selection of applicants based on date and time and local preference points, if applicable, and allow the HA to skip families on the waiting list to accomplish this goal.*

4. **Maintaining the Waiting List:** *The HA will remove an applicants name from the waiting list for the following:*

- A. ***The HA will remove names of applicants who do not respond to HA Request for information or updates.***

NOTE:

An applicant on the HAís Section 8 waiting list may refuse the HAís initial offer of a housing voucher, if the family wants to wait for a certificate. The family does not lose its place on the waiting list because of its refusal. The family also may refuse a HAís initial offer of a certificate if it wants to wait for a housing voucher. If the family refuses the second form of assistance, the HA will remove the family from the waiting list (as outlined below).

5. **Procedure for Removing an Applicants Name from the Waiting List.** *The applicant will be notified by the HA, in writing, that they have ten (10) calendar days, from the date of the written correspondence, to respond to the HAs request. The correspondence will also indicate that their name will be removed from the waiting list if they fail to respond within the time frame specified. The Has system of removing applicants names from the waiting list **WILL NOT** violate the rights of a disabled person(s). If an applicantís failure to respond to a request from a HA for information or updates was caused by the applicants disability, the HA will provide reasonable accommodations and give the applicant opportunity to respond. An example of a reasonable accommodation would be allow an applicant to be reinstated on the waiting list based on the original date and time of their application. If the applicant indicates that they did not respond due to a disability. If the disability is not apparent, the HA may request the applicant to have a doctor submit a written statement indicating that the applicant did not respond due to their disability.*
6. **Purging the Waiting List:** *To ensure that the HAís waiting list reflects the most current applicant information the waiting list will be updated and purged every ____.*
7. **Verification of Preference (timing), if applicable:** *At the time of application, Initial determinations of an applicantís entitlement to a Preference may be made on the basis of an applicantís certification of their qualification for that preference. Before selection is made, this qualification must be verified.*

SECTION XIII. *ORIENTATION OF FAMILIES AND ISSUANCE OF CERTIFICATE OR HOUSING VOUCHER*

1. *Briefing: The purpose of the briefing is to go over the Certificate or Housing Voucher holders packet in order to fully inform the participant about the program so that he/she will be able to discuss it with potential landlords.*
2. *Briefing Attendance Requirements: All families (head of household) are required to attend the briefing when they are initially issued a Certificate of Housing Voucher. No Certificate or Housing Voucher will be awarded unless the household representative has attended a briefing.*

Failure to attend a scheduled briefing (without notice to the HA) will result in the family's application being placed in the inactive file and the family may be required to reapply for assistance. Applicants who provide prior notice of an inability to attend a briefing will be scheduled for the next briefing.

Failure of an applicant, without good cause, to participate in a scheduled briefing shall result in withdrawal of his/her application. The applicant will be notified of such withdrawal and determination of ineligibility and of his/her right to an informal review as outlined in Section XI above.

3. *Format of the Briefing: When a Family is initially receives its Certificate of Family Participation or Housing Voucher, a full explanation (oral) of the following shall be provided to assist the Family in finding a suitable unit and to apprise the family of its responsibilities and the responsibilities of the Owner (this may be done either in group or individual sessions depending on the circumstances). Also, families will be given adequate opportunity to raise questions and to discuss the information listed below: (Reference 24 CFR 982.301).*
 - A. *A description of how the program works;*
 - B. *Family and Owner Responsibility; and*
 - C. *Where the family may lease a unit, including renting a dwelling unit inside or outside the HA jurisdiction.*

Note:

For a family that qualifies to lease a unit outside the HA jurisdiction under portability procedures, the briefing must include an explanation of how portability work. The HA may not discourage the family from choosing to live anywhere in the HA jurisdiction, or outside the HA jurisdiction under portability

- D. *If the family is currently living in a high poverty census tract in the HA jurisdiction, the briefing must also explain the advantages of moving to an area that does not have a high concentration of poor families.*
- E. *When issuing a Certificate or Housing Voucher, the HA shall give the family a Section 8 Participant's Packet, which includes: (Reference 24 CFR 982.301).*
- (1) *The term of the certificate or voucher is 60 days. A Certificate and Voucher is valid for a period of 30 days from the date of issuance. Prior to expiration, the family may contact the HA to inquire about assistance the HA can provide the family in locating suitable housing. The family must submit a Request for Lease Approval within the 30-day period unless an extension has been granted by the HA. Once the family has submitted a Request for Lease Approval the clock **is stopped** and/or suspended on the term of the certificate or voucher (See "Suspension"). When the clock is stopped (suspended), the time remaining days will be reinstated to the initial 30-day period of the Certificate or Voucher, if necessary. If the unit is not approved for any reason, the remaining days will be reinstated to the initial term of the certificate/voucher. If the initial term is not adequate for finding a unit to lease, the family may request an extension of the initial term as described below.*
 - (2) *Requesting for extensions of the term. A family may request an extension of the certificate or Voucher time period. All request for extensions should be received prior to the expiration date of the Certificate or Voucher. Extensions are permissible at the discretion of the HA primarily for the following reasons.*
 - (a) *Extenuating circumstances such as hospitalization or a family emergency for an extended period of time, which has affected the family's ability to find a unit within the initial 30-day time period. The HA representative will verify the extenuating circumstances prior to granting an extension.*
 - (b) *The family has evidence that they have made a consistent effort to locate a unit and request support services from the HA, throughout the initial 30-day period with regard to their inability to locate a unit.*
 - (c) *The family has turned in a Request for Lease Approval prior to the expiration of the 30-day time period, but the unit has not passed HQS.*
 - (d) *Time Period for extensions: A HA representative may grant one or more extensions not to exceed a total of 30-day. The initial term plus any extensions **MAY NOT** exceed 120 calendar days for the beginning of the initial term.*
 - (e) *Extensions for Disabled persons: the HA representative must grant an extension of up to 120 days for persons who are disabled.*

- (3) *How the HA determines the housing assistance payment for a family;*
 - (a) *For the certificate program, information on the FMRs and the HA utility allowance schedule; and*
 - (b) *For the voucher program, information on the payment standard and the HA utility allowance schedule.*
- (4) *How the HA determines the maximum rent for an assisted unit;*
- (5) *What the family should consider in deciding whether to lease a unit, including:*
 - (a) *The condition of the unit;*
 - (b) *Whether the rent is reasonable;*
 - (c) *The cost of any tenant-paid utilities and whether the unit is energy-efficient; and*
 - (d) *The location of the unit, including proximity to public transportation (if applicable), centers of employment, schools and shopping.*
- (6) *Where the family may lease a unit. For a family that qualifies to lease a unit outside the HA jurisdiction under portability procedures, the information packet must include an explanation of how portability works;*
- (7) *The HUD-required lease addendum (The lease addendum is the language that must be included in the lease).*
- (8) *The form of request for lease approval, and an explanation of how to request HA approval to lease a unit;*
- (9) *A statement of the HA policy on providing information about a family to prospective owners (See Section XV.3 below);*
- (10) *The HA subsidy standards, including when the HA will consider granting exceptions to the standards;*
- (11) *The HUD brochure on how to select a unit;*
- (12) *The HUD lead-based paint (LBP) brochure;*
- (13) *Information on federal, state and local equal opportunity laws, and a copy of the housing discrimination complaint form;*
- (14) *A list of landlords or other parties known to the HA who may be willing to lease a unit to the family, or help the family find a unit;*
- (15) *Notice that if the family includes a disabled person, the family may request a current listing of accessible units known to the HA that may be available;*
- (16) *Family obligations under the program;*
- (17) *The grounds on which the HA may terminate assistance for a participant family because of family action or failure to act; and*
- (18) *The informal hearing procedures. This information must describe when the HA is required to give a participant family the opportunity for an informal hearing, and how to request a hearing.*

- (4) Approval of Lease and Execution of Related Documents: Reference: 24 CFR 982.302 and 982.305.

When a family finds a unit, and the owner is willing to lease the unit under the program, the family may request the HA to approve the lease and unit.

Note:

Property Owners cannot participate in the program if they are disapproved by the HA as outlined in Section XIV below.

- A. *If the HA determines that a unit which an Eligible Family wishes to lease meets HQS and the proposed Lease is approval, the HA shall notify the Owner and the Family of its determination of Lease approval.*
- B. *After receiving notification from the HA, the Owner and HA representative shall schedule a meeting and execute and sign the Contract. After the contract is executed, the Owner and Family shall execute and sign the Lease and provide a copy to the HA.*
- C. *The HA shall retain the following in its files:*
 - (1) *The Request for Lease Approval;*
 - (2) *The approved Lease;*
 - (3) *Inspection report;*
 - (4) *HA certification that the current rent being charged for comparable units in the private unassisted market, taking into account the location, size, type, quality, amenities, facilities and management and maintenance service of such unit. This certification will be maintained for three years to comply with HUD regulations and HUD inspections; and,*
 - (5) *Executed Contract.*

SECTION XIV.

HA DISAPPROVAL OF OWNER

- 1. *Owner Debarred:* *The HA must not approve a unit if the HA has been informal (by HUD or otherwise) that the owner is debarred, suspended, or subject to a limited denial of participation. Also, when directed by HUD, the HA must not approve a unit if:*

- A. *The federal government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act or other federal equal opportunity requirements and the action is pending; or*
 - B. *A court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements.*
2. *HA Administrative Discretion:* *The HA will deny approval to lease a unit from an owner for any one of the following:*
- A. *Owner has violated obligations under a HAP contract.*
 - B. *Owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.*
 - C. *The owner has engaged in drug-trafficking.*
 - D. *The owner has a history or practice of non-compliance with the HQS requirements, State or local housing codes.*
 - E. *The owner has not paid State or local real estate taxes, fines or assessments.*

Note:

After May 18, 1998, if the owner is a parent, child, grandparent, grandchild, sister, or brother of any member of the participant family, the HA must not approve the unit. However, if the housing authority determines that approval of the unit would provide reasonable accommodation for a family member, who is a disabled person, the unit may be approved.

SECTION XV. OWNER RESPONSIBILITY FOR SCREENING TENANTS

- 1. *Suitability for Tenancy:* *The HA must inform the owner that the HA has not screened the family's behavior or suitability for tenancy and that such screening is the owner's own responsibility.*
- 2. *Family's Background:* *An owner may consider a family's background with respect to such factors as:*
 - A. *Payment of rent and utility bills.*
 - B. *Caring for a unit and premises.*
 - C. *Respecting the rights of others to the peaceful enjoyment of their housing.*

- D. *Drug-related criminal activity or other criminal activity that is a threat to the life, safety or property of others and compliance with other essential conditions of tenancy.*
3. *Information Provided Owner Concerning Tenancy:* *The HA must give the owner the family's current address (as shown in the HA records) and the name and address of the landlord at the family's current and prior addresses, if known to the HA. The HA will provide information to an owner for all participants when the HA possesses the following:*
- A. *The tenancy history of family members, or*
 - B. *Drug-trafficking by family members.*

SECTION XVI. WHERE A FAMILY CAN LEASE A UNIT WITH TENANT-BASED ASSISTANCE AND PORTABILITY PROCEDURES.

- 1. *Assistance in the Initial HA Jurisdiction:* *The family may receive tenant-based assistance to lease a unit located anywhere in the jurisdiction of the initial HA.*
- 2. *Portability Assistance Outside the Initial HA Jurisdiction:* *Families living in the jurisdiction of the initial HA may receive tenant-based assistance to lease a unit outside the initial HA jurisdiction:*
 - A. *In the same State as the initial HA;*
 - B. *In the same metropolitan statistical area (MSA) as the initial HA, but in a different State;*
 - C. *In MSA that is next to the same MSA as the initial HA, but in a different State; or,*
 - D. *In the jurisdiction of an HA anywhere in the United States that is administering a tenant-based program.*

Note:

Nonresident applicants (applicants that do not live in the legal jurisdiction of the initial HA) that apply for tenant-based assistance do not have any right to lease a unit outside the initial HA jurisdiction during the twelve (12) month period from the time the family is admitted to the program. However, the family may lease a unit outside the initial HA jurisdiction under portability procedures if both the initial HA and receiving HA agree.

- 3. *Income Eligibility:*

- A. *For admission to the certificate or voucher program, a family must be income eligible in the area where the family initially leases a unit with assistance in the certificate or voucher program.*
 - B. *A portable family transferring between the certificate and voucher programs must be income eligible for the new program in the area where the family leases an assisted unit. This requirement applies if the family is either transferring from the initial HAs certificate program to the receiving HA voucher program, or transferring from the initial voucher program to the receiving HAs certificate program.*
 - C. *If a portable family was already a participant in the initial HA certificate or voucher program, income eligibility is not redetermined unless the family transfers between the programs.*
4. *Leasing in Place:* *If the dwelling unit is approveable, a family may select the dwelling unit occupied by the family before selection for participation in the program.*
5. *Freedom of Choice:* *When the family selects eligible housing that meets all program requirements the HA may not directly or indirectly reduce the family's opportunity to select among available units.*
6. *Portability ñ Administration by the Initial HA Outside the Initial HAs Jurisdiction:*
- A. *When a family moves under portability to an area outside the initial HAs jurisdiction, the initial HA must administer the assistance for the family if: the unit is located within the same State as the initial HA, in the same MSA as the initial HA (but in a different State), or in an MSA that is next to the same MSA as the initial HA (but in a different State), and no other HA with a tenant-based program has jurisdiction in the area where the unit is located.*
 - B. *If the above conditions exist, the family remains in the program of the initial HA. The initial HA has the same responsibilities for administration of assistance for the family living outside the HAs jurisdiction as for other families assisted by the HA within the HAs jurisdiction.*
 - C. *The initial HA may choose to use another HA, a private management entity or other contractor or agent to help the initial HA administer assistance outside the HAs jurisdiction.*
7. *Portability ñ Administration by Receiving HA:*

- A. *When a family moves under portability to an area outside the initial HA Jurisdiction, another HA (the receiving HA) must administer assistance for the family if a HA with a tenant-based program has jurisdiction in the area where the unit is located. When this situation exist, the HA with jurisdiction in the area where the family wants to lease a units must issue the family a certificate or voucher. If there is more than one such HA, the initial HA may choose the receiving HA.*
 - B. *The receiving HA has the choice of assisting the family under either the Certificate program or the voucher program. If the family was receiving assistance under the initial HAs certificate program, but is ineligible for admission to the voucher program, a receiving HA that administers a certificate must provide continued assistance under the certificate program. If the family receiving assistance under the initial HA voucher program, but is ineligible for admission to the certificate, a receiving HA that administers a voucher program must provide continued assistance under the voucher program.*
8. *Portability Procedures:* *The initial HA must determine whether the family is income-eligible in the area where the family wants to lease a unit. The initial HA must advise the family how to contact and request assistance from the receiving HA. The initial HA must promptly notify the receiving HA to expect the family. The family must promptly contact the receiving HA, and comply with receiving HA procedures for incoming portable families. The initialHA must give the receiving HA the most recent HUD Form 50058 for the family, and related verification information. If the receiving HA opts to conduct a new reexamination, the receiving HA may not delay issuing the family a voucher or certificate or otherwise delay approval of a unit unless the recertification is necessary to determine income eligibility. When the portable family requests assistance from the receiving HA, the receiving HA must promptly inform the initial HA whether the receiving HA will bill the initial HA for assistance on behalf of the portable family, or will absorb the family into its own program. The receiving HA must determine whether to extend the certificate or voucher term. The family must submit a request for lease approval to the receiving HA during the term of the receiving HA certificate or voucher. The receiving HA must determine the family unit size for the portable family. The family units size is determined in accordance with the subsidy standards of the receiving HA. The receiving HA must promptly notify the initial HA if the family has leased an eligible unit under the program, or if the family fails to submit a request for lease approval for an eligible unit within the term of the certificate or voucher. To provide tenant-based assistance for portable families, the receiving HA must perform all HA functions, such as reexamination of family income and composition.*
9. *Absorption by the Receiving HA:* *If funding is available for the receiving HA, when a certificate or voucher is received, the receiving HA may absorb the family into the receiving HAs certificate or voucher program.*

Note:

HUD may require a receiving HA to absorb all or a portion of the portable families.

10. **Portability Billing:** *The receiving HA may bill the initial HA for housing assistance payment and administrative fees. The initial HA must promptly reimburse the HA for the full amount of the housing assistance payments (HAP) made by the receiving HA for the portable family, the amount of the HAP for a portable family in the receiving HAs program. The initial HA must promptly reimburse the receiving HA for 80 percent of the initial HAs ongoing administrative fee for each unit month that the family receives assistance under the tenant-based programs from the receiving HA. HUD may reduce the administrative fee to an initial HA, if the HA does not promptly reimburse the receiving HA for housing assistance payments or fees on behalf of portable families.*

SECTION XVII. ABSENCE FROM THE ASSISTED UNIT

Absence means that no member of the family is residing in the unit. Families participating in the program may be absent for a period of 14 calendar days without notifying the HA. If the family anticipates being absent for more than 14 consecutive calendar days, the Head of Household must request written permission from the HA prior to leaving the assisted unit. The written request must be submitted 30 calendar days in advance of the anticipated absence. The HA may approve absences in excess of 14 consecutive calendar days for vacation, hospitalization or other good cause as presented to the HA by head of household. The HA will respond in writing within 10 calendar days of the receipt of the request for approved absence. The HA will not approve any request for absence for a period of more than 180 consecutive calendar days in any circumstance, or for any reason.

Note:

If an emergency situation exist, such as hospitalization, the head of household must notify the HA by telephone as soon as possible and request a determination via the telephone. Verbal request for determination may only be made in emergency situations. The HA will respond verbally and follow-up its verbal determination in writing within ten calendar days of the verbal request.

SECTION XVIII. CONTINUED ASSISTANCE AFTER FAMILY BREAKUP

The HA shall determine which family members will continue to receive assistance after a family break-up. The head of household, spouse or any adult member of the household must notify the HA that there has been a family break-up and continue assistance is being requested. The assisted family member making the request must submit the request in writing to the HA and request a determination. The request must be made with 10 calendar days of the breakup. The HA will consider the following factors in making this determination:

1. *Assisted Unit: Whether the assistance should remain with family members remaining in The original assisted unit.*
2. *Interest of Family Members: The interest of minor children or of ill, elderly or disabled Family members.*
3. *Physical Violence: Whether family members are forced to leave the unit as a result or Actual or threatened physical violence against family members by a spouse or other member of the household.*

The HA will issue a determination within 10 calendar days of receipt of the request for a determination. The person requesting the determination may request an Informal Hearing in accordance with the HA established procedures if they disagree with the determination of the HA.

Note:

If a court determines the disposition of property between members of the assisted family in a divorce or separation under a settlement or judicial decree, the HA is bound by the court's determination of which family members continue to receive assistance in the program.

SECTION XIX.

SUBSIDY STANDARDS

The following subsidy standards shall determine the number of bedrooms required to accommodate each family without overcrowding or over-housing:

Subsidy Standard Chart

<i>Number of Bedrooms</i>	<i>Number of Persons</i>	
	<i>Minimum</i>	<i>Maximum</i>
<i>1</i>	<i>1</i>	<i>2</i>
<i>2</i>	<i>2</i>	<i>4</i>
<i>3</i>	<i>3</i>	<i>6</i>
<i>4</i>	<i>4</i>	<i>8</i>
<i>5</i>	<i>5</i>	<i>10</i>

Section 8 participants shall be issued a Certificate or Voucher based on the subsidy standard listed above. In determining family unit size for a particular family, the HA may grant an exception to the above subsidy standard if the HA determines that the exception is justified by the age, sex, health, handicap, or relationship of family members or other personal circumstances. The family unit size for any family consisting of a single person must be either a zero or one bedroom unit, unless a live-in-aide resides with the family. Any live-in aide must be approved by the HA, in advance, and reside in the unit to care for a family member who is disabled or is at least 50 years of age. A live-in-aide must be counted in determining the family unit size.

A family that consists of a pregnant woman (with no other persons) must be treated as a two person family.

A child who is temporarily away from the home because of placement in foster care is considered a member of the family in determining the family unit size.

SECTION XX. INSPECTIONS OF PRIVATE LANDLORD'S PROPERTY:

When the HA receives a Request for Lease approval the HA shall inspect the unit for compliance with the HA's housing quality standard (HQS). The HA's inspector will inspect the unit for compliance with HQS standards and send the owner the results of inspections. If there are defects or deficiencies which must be corrected in order for the unit to comply with HQS standards, the Owner shall be advised, in writing, by the HA of the work required to be done before a Contract can be executed. The unit will be reinspected to ascertain that the necessary work has been performed and the unit meets HQS standards for occupancy.

*The HA will maintain a copy of every inspection and reinspection report for three years, with one exception. If the unit inspected requires testing for Lead Based Paint and/or the unit requires treatment of chewable surfaces based on the testing, the HA shall keep **indefinitely the test results** and, if applicable, the Owner certification of the treatment. The inspection reports will specify the defects or deficiencies which must be corrected in order for the unit to be corrected for the unit to meet HQS standards. The inspection report will also reflect any other defects or deficiencies, that do not cause the unit to fail, in the event of a subsequent claim by the Owner that they were caused during the period of occupancy by the Family.*

SECTION XXI. INSPECTION STANDARDS:

Before a unit can be approved of Occupancy under the Section 8 program, the unit must meet the performance requirements set forth in 24 CFR 982.401, which are the Housing Quality Standards (HQS).

1. HQS Inspection Areas: The following areas are included in HQS inspections:

*Sanitary facilities;
Food preparation and refuse disposal;
Space and security;
Thermal environment;
Illumination and electricity;*

*Structure and materials;
Interior air quality;
Water supply;
Lead based paint;
Access;
Site and neighborhood;
Sanitary condition; and
Smoke Detectors.*

Note:

The HA's inspection only certifies that the unit meets HQS federal regulations and the HA is not responsible for items not included in the HQS inspection. The HA will use HUD approved inspection forms to perform Section 8 Inspections.

2. Types of HQS Inspections:

- A. Initial Inspections: Performed by the HA staff after receiving the Request for Lease Approval from the applicant.*
- B. Yearly inspections as required by HQS for tenant continuing to receive assistance and remaining in the same unit.*
- C. Re-Inspections: Inspections that are performed by HA staff for the purpose of verifying that deficiencies noted in the previous inspection have been corrected and meet HQS.*
- D. Quality Control Inspections: The Section 8 coordinator will reinspect five (5) percent (based on a random sample) of the total number of Section 8 units under HAP contract to insure that inspections are being performed in compliance with HQS standards. The Executive Director may perform some of the reinspections, if necessary. The Section 8 Coordinator will maintain a file that documents the quality control inspections.*
- E. Special Inspections: These types of inspections may be necessary when a Federal Official visits the HA to perform a compliance review of the HA and/or the Owner may request a special inspection be performed to document the condition to the unit.*
- F. Move-out Inspections: These inspections are performed after the tenant moves out of the unit and the Owner and/or the Owner's representative will be required to attend the move-out inspection. If the tenant plans to remain in the unit and the HAP contract is going to be canceled, the inspection can be performed with the tenant in place. Move-out inspections substantiate possible damage claim/violation of family obligations. The Owner may write the HA and indicate that there are no damages and a move-out inspection is not required. If an Owner requests a move out inspection to substantiate is not required. If an Owner requests a move out inspection to substantiate a damage claim/violation of family*

obligation the inspection must be completed prior to the work being done that will correct the damage. The Owner must request an inspection within 5 business days of the move-out in order to submit a damage claim, if applicable. If the HA cannot schedule the inspection prior to re-rental of the unit, the HA may give the Owner permission to submit a damage claim/violation of family obligation with picture of the unit, to substantiate the damage. The HA may use this evidence to terminate the continuing assistance to the participant because of a family violation.

Note:

The HA may only be responsible for a portion of a damage claim for HAP contracts existing prior to October 2, 1995.

SECTION XXII.

**DETERMINATION OF PARTICIPANT RENT AND
RE-EXAMINATION OF INCOME AND FAMILY
CIRCUMSTANCES**

Rent as initially determined or at annual re-examination will remain in effect for the period between regular reexamination of family income and composition unless the following changes in family circumstances occur. Also, Section 8 participant agrees to report, in writing, and provide certification following any change in annual income within ten (10) calendar days of the occurrence.

Loss or addition of family composition of any family member through birth, death, divorce, removal of other continuing circumstances and the amount, if any, of family member's income;

Employment, unemployment, or changes in employment of a permanent nature of the family head, spouse, or other wage earner that is 18 years of age; or

To correct errors made when determining eligibility or at reexamination.

Note:

If an error results in a retroactive rent payment due to the participant not providing correct information concerning annual income, the Section 8 participant may request the HA representative to approve a repayment schedule. The Section 8 participant must make the request, in writing, to the HA representative. The amount of the repayment will be the higher of \$10.00 per month or 10 percent of the monthly adjusted income. The HA representative will provide the Section 8 participant with a written response to their request and if approved the written notification will include the amount of the monthly repayment plus the due date of the first payment.

The final estimate of Family Income will be made by the HA on the basis of verified information regarding income.

There is no minimum income requirement, but the staff should use good interviewing skills to determine whether there is income (as defined in Section IV which is not being reported).

*Families will be required to report any changes in their income status within ten (10) calendar days of the occurrence of employment and/or any other type of income is received. Families with zero income **may** be requested to recertify more frequently.*

1. Annual Re-examination:

- A. Once each year, or as required by this HA, the HA must reexamine the income and family composition of all families participating the Section 8 Program in accordance with 24 CFR 5.617. verifications acceptable to the HA shall be obtained and determinations made. In the event of failure or refusal of the family to report the necessary information, the HA may terminate the assistance.*
- B. Records shall be maintained by the HA to insure that every participant's income and family composition has been reexamined within a twelvemonth period.*
- C. Upon completion of reexamination and verification, the participant shall be notified, in writing, no later than thirty (30) days prior to the effective date of the following: (A copy of such notification is to be retained in the participant's file).*
 - (1) Any change in rent and the date on which it becomes effective.*
 - (2) Any change required because of a change in the composition of the family.*

2. Interim Redetermination of Rent: Rent as set at admission or Annual Re examination will remain in effect for the period between regular rent determinations unless changes in family circumstances occur. The participant is required and agrees to report, in writing, the following specified changes in family income and composition within ten (10) calendar days of occurrence.

- A. Loss or addition to family composition of any kind through birth, death, marriage, divorce, removal or other continuing circumstance and the amount, if any, of such family member's income. Any such additions, other than birth, must be approved by the HA in advance, and must qualify, the same as an applicant or any prospective new participant.*
- B. Employment, unemployment or changes in income for employment of a permanent nature of the family head, spouse, or other wage earner eighteen (18) years of age or older.*
- C. The starting of or stopping of, or an increase or decrease of any benefits or payments received by any member of the family or household from Old Age Pension, Aid for Dependent Children, Black Lung, Railroad Retirement, Private Pension fund, Disability Compensation, Veterans Administration, Child Support, Alimony, Regular Contributions or Gifts. Lump sum payments or retroactive payments of benefits from any of the above sources which constitute the sum of monthly payments for a preceding period paid in a lump sum must be reported and rent adjusted retroactively on such income to date of eligibility for any family member residing in the household for that period of time.*

- D. *Cost of living increases in Social Security or public assistance grants need not be reported until next re-examination and redetermination of rent.*
 - E. *Errors of omission made at admission or re-examination shall be corrected by the HA. Retroactive payments will be made to the participant if the error is in the his/her favor.*
3. *Notice of Temporary Rent:* *On occasions, the HA is required to compute rent based on information that is supplied by the participant and third party information that has not or will not be provided by the employer. When this situation occurs the HA will compute a temporary rent based on the information available. Once the information is verified, the participant will be notified in writing. If an underpayment was made based on the information provided the participant will have fourteen (14) days from the date of the HA notification to pay the amount specified. If the participant has made an overpayment, that amount will be credited to his/her account, with the landlord. The Head of Household and Spouse (if applicable) and a HA representative signs this Notice of Temporary Rent and it is filed appropriately with a copy provided to the participant.*
4. *The Effective Dates of Interim Redetermination of Rent:*
- A. *Any decrease in rent resulting from any decreases in family income will be made effective the first of the month following the date the decrease in family income was reported and verified in writing.*
 - B. *The participant agrees to pay any increase in rent resulting from an increase in family income the first of the second month following the date in which such increase in family income occurred, and to pay any back rent due because of failure to report such increase in family income.*
 - (1) *Any interim change in rent will require reverification of all family income that has not been verified within ninety (90) calendar days of the previous rent determination.*
 - (2) *Participant agrees to pay any increase in rent resulting from the implementation of changes in rent computation or increases due to changes in regulations, policies or procedures requiring implementation by the United States Department of Housing and Urban Development.*
 - (3) *Temporary employment/unemployment or increases and decreases in wages **if for any reason** of less than 30 days will not constitute a rent adjustment.*
 - (4) *If it were found that a participant has misrepresented or failed to report facts upon which rent is based so that the participant is paying less than they should be paying, the increase in rent shall be made retroactive to the date the increase would have taken effect. The participant will be required to pay the difference between the rent paid and the amount that should have been paid. In addition, the participant may be subject to civil and criminal penalties. Misrepresentation is a serious program violation, which may result in termination.*

5. Special Re-examinations: *Special reexaminations are pre-scheduled extensions of admission or continued occupancy determinations, and will be considered for the following reasons:*

If it is impossible to determine annual family income accurately due to instability of family income and/or family composition, a temporary determination of income and rent is to be made and a special re-examination shall be scheduled for thirty (30), sixty (60) or ninety (90) days, depending on circumstances. The participant shall be notified, in writing, of the date of the special re-examination.

- A. *If the family income can be anticipated at the scheduled time, the reexamination shall be completed and appropriate actions taken. If a reasonable anticipation of income cannot be made, another special re-examination shall be prescribed and the same procedure followed as stipulated in the preceding paragraph until a reasonable estimate can be made.*
- B. *Rents determined at special re-examinations shall be made effective as noted in 4 A and B above.*

6. Minimum Rent Hardship Exemptions:

- A. *The HA shall immediately grant an exemption from application of the minimum monthly rent to any family making a proper request in writing who is unable to pay because of financial hardship, which shall include:*
- (1) The family has lost eligibility for, or is awaiting an eligibility determination from a federal, state, or local assistance program, including a family that includes a member who is an alien lawfully admitted for permanent residence under the immigration and nationalization act who would be entitled to public benefits but for Title IV of the Personal Responsibility and work Opportunity Reconciliation Act of 1996.*
 - (2) The family would be evicted as a result of the implementation of the minimum rent (this exemption is only application for the initial implementation of a minimum rent or increase to the existing minimum rent).*
 - (3) The income of the family has decreased because of changed circumstance, including loss of employment.*
 - (4) A death in the family has occurred which affects the family circumstances.*
 - (5) Other circumstances which may be decided by the HA on a case by case basis.*

All of the above must be proven by the Resident providing verifiable information in writing to the HA prior to the rent becoming delinquent and before the lease is terminated by the HA.

- B. *If a resident requests a hardship exemption (prior to the rent being delinquent) under this section, and the HA reasonably determines the hardship to be a temporary nature, exemption shall not be granted during a ninety day period beginning upon the making of the request for the exemption. A resident may not be evicted during the ninety-day period for non-payment of rent. In such a case, if the resident thereafter demonstrates that the financial hardship is of a long-term basis, the HA shall retroactively exempt the resident from the applicability of the minimum rent requirement for such ninety day period. This Paragraph does not prohibit the HA from taking eviction action for other violations of the lease.*
7. *Reduction of Welfare Benefits:* *If the Section 8 participant request an income re-examination and the rent reduction is predicated on a reduction in tenant income from welfare, the request will be denied, but only after obtaining written verification from the welfare agency that the families benefits have been reduced because of:*
- A. *Noncompliance with economic self-sufficiency program or;*
 - B. *Work activities requirements or;*
 - C. *Because of fraud.*
8. *Exception to Rent Reductions:* *Families whose welfare assistance is reduced specifically because of fraud or failure to participate in an economic self-sufficiency program or comply with a work activities requirement will not affect their Section 8 tenant-based assistance.*

SECTION XXIII. ADJUSTMENT TO UTILITY ALLOWANCES AND CONTRACT RENTS, PLUS MONTHLY HOUSING ASSISTANCE PAYMENTS

- 1. *Utility Allowances:* *At least annually, the HA shall determine whether there has been a substantial change in utility rates or other charge of general applicability, and whether an adjustment is required in the **Allowance of Utilities and Other Services** by reason of such changes or because of errors in the original determination. If the HA determines that an adjustment should be made, the HA shall establish a schedule of adjustments taking into account size and type of dwelling units and other pertinent factors and furnish HUD with a copy of the adjusted schedule. (Reference 24 CFR 882.214)*
- 2. *Contract Rents:* *Contract Rents may be adjusted by the HA on an annual basis and for special adjustments as provided below:*
 - A. *Annual Adjustment: Upon request from the owner to the HA an annual adjustment may be made if the Contract unit is in decent, safe and sanitary condition and the Owner is otherwise in compliance with the terms of the Lease and the HAP Contract. Annual adjustments as of any anniversary date shall be determined by using the **Section 8 Annual Adjustment Factor** most recently published by HUD in the Federal Register. The contract rent may be adjusted upward or downward. However, in no case shall the adjusted rent be less than the Contract rent on the effective date of this Contract.*

- B. *A special adjustment: Subject to HUD approval, to reflect increases in the actual and necessary expenses of owning and maintaining the unit which have resulted from substantial general increases in real property taxes, utility rates or similar costs (i.e. assessments, and utilities not covered by regulated rates), but only if and to the extent that the Owner clearly demonstrates that such general increases have caused increases in the Owner's operating costs which are not adequately compensated for by the annual adjustments provided for in number 1 above of this section. The Owner shall submit financial statements to the HA which clearly support the increase.*

Overall Limitation of Adjustments of 2 A and B above:

Notwithstanding any other provisions of this part, adjustments as provided for in this section shall not result in material differences between the rents charged for assisted and comparable unassisted units.

3. *Monthly Housing Assistance Payment (HAP) Payments:* *Monthly payments will be made to an owner on behalf of a family participating in the Section 8 Program. Payments will be issued in accordance with the Housing Assistance Payment Contract. The checks will be issued on a monthly basis and mailed directly to the participating owner (due on the fifth (5) day of each month for the current month.) A copy of the check will be kept and serve as a record of payment.*

SECTION XXIV. FAIR MARKET RENT (FMR), PAYMENT STANDARD FOR VOUCHERS AND RENT REASONABLENESS LIMITATION

1. *Three Types of Tenancy in the Section 8 Tenant-based Programs:* *Some requirements of this section is the same for all three types of tenancy. Some requirements only apply to a specific type of tenancy. Unless specifically stated, requirements of this subpart are the same for all tenancies in the tenant-based programs.*
- A. *A regular tenancy under the certificate program*
- B. *An over-FMR tenancy under the certificate program; and*
- C. *A tenancy under the voucher program.*
2. *Negotiating Rent to Owner.* *The owner and the family negotiate the rent to owner. At the family's request, the HA must help the family negotiate the rent to owner.*
3. *Rent to Owner: Reasonable Rent*
- A. *HA determination.*
- (1) *The HA may not approve a lease until the HA determines that the initial rent to owner is a reasonable rent.*
- (2) *The HA must redetermine the reasonable rent:*
- (3) *Before any increase in the rent to owner:*
- (4) *If there is a five percent decrease in the published FMR in effect 60 days before the contract anniversary (for the unit size rented by the family) as*

*compared with the FMR in effect one year before the contract anniversary;
or*

- (5) If directed by HUD.*
- (6) The HA may also redetermine the reasonable rent at any other time.*
- (7) At all times during the assisted tenancy, the rent to owner may not exceed the reasonable rent as most recently determined or redetermined by the HA*

- B. Comparability. The HA must determine whether the rent to owner is a reasonable rent in comparison to rent for other comparable unassisted units.*
- C. Owner certification of rents charged for other units. By accepting each monthly housing assistance payment from the HA, the owner certifies that the rent to owner is not more than rent charged by the owner for comparable unassisted units in the premises. The owner must give the HA information requested by the HA on rents charged by the owner for other units in the premises or elsewhere.*

4. Maximum Subsidy: FMR/Exception Rent Limit

A. Purpose.

- (1) Fair market rents (FMRs) are published by HUD. In the tenant-based programs, the FMR/exception rent limit is used to determine the maximum subsidy for a family.*
- (2) For a regular tenancy under the certificate program, the FMR/exception rent limit is the maximum initial gross rent under the assisted lease.*
- (3) For the voucher program, the FMR/exception rent limit is the maximum payment standard (maximum subsidy) for a family.*
- (4) For an over-FMR tenancy under the certificate program, the FMR/exception rent limit is the payment standard (maximum subsidy) for a family.*

B. Determining exception rent.

- (1) Area exception rent: HUD approval.*
 - (a) At HUD's sole discretion, HUD may approve an area exception rent for all units, or all units of a given size (number of bedrooms), leased by program families in a part of the fair market rent area that is designated as an exception rent area. A HUD-approved area exception rent applies to all HAs with jurisdiction of the exception rent area.*
 - (b) An area exception rent may not exceed 110 percent of the FMR.*
 - (c) HUD will determine the area exception rent by either of the two following methods:*
 - (1) Median rent method. In the median rent method, HUD determines the area exception rent by multiplying the FMR times a fraction of which the numerator is the median gross rent of the exception rent area and the denominator is the median gross rent of the entire FMR area. In this method, HUD uses median gross rent data from the most recent decennial United States census, and the exception rent area*

may be any geographic entity within the FMR area (or any combination of such entities) for which median gross rent data is provided in decennial census data products.

- (2) *40th percentile rent method.* In this method, HUD determines that the area exception rent equal the 40th percentile of rents to lease standard quality rental housing in the exception rent area. HUD determines the 40th percentile rent in accordance with the methodology described in 24 CFR 888.113 for determining fair market rents. An HA that asks HUD to approve an area exception rent determined by the 40th percentile rent method must present statistically representative rental housing survey data justify exception rent approval by HUD.
- (d) *An area exception rent will not be approved unless HUD determines that an exception rent is needed either:*
 - (1) *To help families find housing outside areas of high poverty;*
or
 - (2) *Because certificate or voucher holders have trouble finding housing for lease under the program within the term of the certificate or voucher.*
- (e) *The total populations of exception rent areas in an FMR area may not include more than 50 percent of the population of the fair market rent area.*
- (f) *At any time, HUD may withdraw or modify any approved area exception rent.*
 - (3) *Regular certificate tenancy: Exception rent as reasonable accommodation for person with disabilities: HA approval.* For a regular tenancy in the certificate program, on request from a family that includes a person with disabilities, the HA must approve an exception rent of up to 120 percent of the fair market rent if the exception rent is needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities in accordance with 24 CFR part 8.

5. *Voucher Tenancy or Over-FMR Tenancy: (How to calculate housing assistance payment).*

- A. *Use a payment standard. For a voucher tenancy or for an overFMR tenancy under the certificate program, a "payment standard" is used to calculate the monthly housing assistance payment for a family. The "payment standard" is the maximum monthly subsidy payment for a family.*
- B. *Voucher program: Amount of assistance.*
 - (1) *Voucher payment standard: Maximum and minimum.*
 - (a) *The HA must adopt a payment standard schedule that establishes payment standards for the HA voucher program. For each FMR area and for each exception rent area, the HA must establish*

- voucher payment standard amounts by unit size (zero-bedroom, one-bedroom, and so on).*
- (b) *For a voucher tenancy, the payment standard for each unit size may not be:*
 - (1) *More than the current FMR/exception rent limit; or*
 - (2) *Less than 80 percent of the current FMR/exception rent limit, unless a lower percent is approved by HUD.*
 - (2) *Voucher assistance formula.*
 - (a) *For a voucher tenancy, the housing assistance payment for a family equals the lesser of:*
 - (1) *The applicable payment standard minus 30 percent of monthly adjusted income; or*
 - (2) *The monthly gross rent minus the minimum rent.*
 - (b) *The minimum rent is the higher of:*
 - (1) *10 percent of monthly income (gross income); or*
 - (2) *A higher minimum rent as required bylaw.*
 - (3) *Voucher payment standard schedule.*
 - (a) *A voucher payment standard schedule is a list of the payment standard amounts used to calculate the voucher housing assistance payment for each unit size in an FMR area. The payment standard schedule for an FMR area includes payment standard amounts for any HUD-approved exception rent area in the FMR area.*
 - (b) *The voucher payment standard schedule establishes a single payment standard for each unit size in an FMR area and, if applicable, in a HUD-approved exception rent area within an FMR area.*
 - (c) *Payment standard amounts on the payment standard schedule must be within the maximum and minimum limits stated in paragraph (b)(1)(ii) of this section. Within these limits, payment standard amounts on the schedule may be adjusted annually, at the discretion of the HA, if necessary to assure continued affordability of units in the HA jurisdiction.*
 - (d) *To calculate the housing assistance payment for a family, the HA must use the applicable payment standard from the HA payment standard schedule for the fair market rent area (including the applicable payment standard for any HUD-approved exception rent area) where the unit rented by the family is located.*
 - (3) *Payment standard for certain subsidized projects. For a voucher tenancy in an insured or noninsured Section 236 project, a Section 515 project of the Rural Development Administration, or a Section 221(d)(3) below market interest rate project, the payment standard may not exceed the basic rental charge (as defined in 12 U.S.C. 1715Z1(F)(1)), including the cost for tenant-paid utilities.*

C. Over-FMR tenancy: Determining amount of assistance.

- (1) *Payment standard. For an over-FMR tenancy, the payment standard for the unit size is the FMR/exception rent limit.*

- (2) *Over-FMR tenancy assistance formula. For an over-FMR tenancy, the housing assistance payment for a family equals the lesser of:*
 - (a) *The applicable payment standard minus the total tenant payment,*
or
 - (b) *The monthly gross rent minus the minimum rent as required by law.*

D. Payment standard for family.

- (1) *This paragraph (d) applies to both a voucher tenancy and on over-FMR tenancy.*
- (2) *The payment standard for a family is the lower of:*
 - (a) *The payment standard for the family unit size; or*
 - (b) *The payment standard for the unit size rented by the family.*
- (3) *If the unit rented by a family is located in an exception rent area, the HA must use the appropriate payment standard for the exception rent area.*
- (4) *During the HAP contract term for a unit, the amount of the payment standard for a family is the higher of:*
 - (a) *The initial payment standard (at the beginning of the lease term) minus any amount by which the initial rent to owner exceeds the current rent to owner; or*
 - (b) *The payment standard as determined at the most recent regular reexamination of family income and composition effective after the beginning of the HAP contract term.*
- (5) *If there is a change in family size or composition during the HAP contract term, paragraph (d)(4)(i) of this section does not apply at the next regular reexamination following such change, or thereafter during the term.*

5. Over-FMR Tenancy: HA Approval:

A. HA discretion to approve.

- (1) *At the request of the family, the HA may approve an over-FMR tenancy in accordance with this section.*
- (2) *Generally, the HA is not required to approve any over-FMR tenancy. However, the HA must approve an over-FMR tenancy in accordance with this section, if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities in accordance with 24 CFR part 8.*
- (3) *The HA generally will approve over-FMR tenancy if it is to aid in furthering of the goals and objectives of fair housing.*

B. Requirements:

- (1) *Ten percent limit. The HA may not approve additional over-FMR tenancies if the number of such tenancies currently is ten percent or more of the number of incremental certificate units under the HUD-approved budget for the HA certificate program.*
Incremental units means the number of budgeted certificate units minus any units for which HUD provided tenant-based program funding designated for families previously residing in housing with Section 8 project-based assistance.

- (2) *Affordability of family share. The HA may not approve an over-FMR tenancy unless the HA determines that the initial family share is reasonable. In making this determination, the HA must take into account other family expenses, such as child care, unreimbursed medical expenses, and other appropriate family expenses as determined by the HA.*
- C. *Amount of assistance. During an over-FMR tenancy, the amount of the housing assistance payment is determined in accordance with Sec. 982.505(c).*
- D. *The method of selection shall be on a first come, first served basis. Persons with a disability shall be given a preference in selection.*
- 7. *Regular Tenancy: (How to calculate housing assistance payment).*

The monthly housing assistance payment equals the gross rent, minus the higher of:

 - A. *The total tenant payment; or*
 - B. *The minimum rent as required by law.*
- 8. *Regular Tenancy: (Limit on initial rent to owner).*
 - A. *FRM/exception rent limit.*
 - (1) *The initial gross rent for any unit may not exceed the FMR/exception rent limit on the date the HA approves the lease.*
 - (2) *The FMR/exception rent limit for a family is the lower of:*
 - (a) *The FMR/exception rent limit for the family unit size; or*
 - (b) *The FMR/exception rent limit for the unit size rented by the family.*
 - B. *Reasonable rent. The initial rent to owner may not exceed a reasonable rent as determined in accordance with Sec. 982.503.*
- 9. *Regular Tenancy: (Annual adjustment of rent to owner).*
 - A. *When rent is adjusted. At each annual anniversary date of the HAP contract, the HA must adjust the rent to owner at the request of the owner in accordance with this section.*
 - B. *Amount of annual adjustment.*
 - (1) *the adjusted rent to owner equals the lesser of:*
 - (a) *The pre-adjustment rent to owner-multiplied by the applicable Section 8 annual adjustment factor, published by HUD in the Federal Register, that is in effect 60 days before the hap contract anniversary;*
 - (b) *The reasonable rent (as most recently determined or redetermined by the HA in accordance with Sec. 982.503); or*
 - (c) *The amount requested by the owner.*

- (2) *In making annual adjustment, the pre-adjustment rent to owner does not include any previously approved special adjustments.*
- (3) *The rent to owner may be adjusted up or down in accordance with this section.*
- (4) *Notwithstanding paragraph (b)(1) of this section, the rent to owner for a unit must not be increased at the annual anniversary date unless:*
 - (a) *The owner requests the adjustment by giving notice to the HA; and*
 - (b) *During the year before the annual anniversary date, the owner has complied with all requirements of the HAP contract, including compliance with the HQS.*
- (5) *The rent to owner will only be increased for housing assistance payments covering months commencing on the late of:*
 - (a) *The contract anniversary date; or*
 - (b) *At least sixty days after the HA receives the owner's request.*
- (6) *To receive an increase resulting from the annual adjustment for an annual anniversary date, the owner must request the increase at least sixty days before the next annual anniversary date*

10. *Regular Tenancy: (Special adjustment of rent to owner).*

- A. *Substantial and general cost increases.*
 - (1) *At HUDs sole discretion, HUD may approve a special adjustment of the rent to owner to reflect increases in the actual and necessary costs of owning and maintaining the unit because of substantial and general increases in:*
 - (a) *Real property taxes;*
 - (b) *Special governmental assessments;*
 - (c) *Utility rates; or*
 - (d) *Costs of utilities not covered by regulated rates.*
 - (2) *An HA may make a special adjustment of the rent to owner only if the adjustment has been approved by HUD. The owner does not have any right to receive a special adjustment.*
- B. *Reasonable rent. The adjusted rent may not exceed the reasonable rent. The owner may not receive a special adjustment if the adjusted rent would exceed the reasonable rent.*
- C. *Term of special adjustment.*
 - (1) *The HA may withdraw or limit the term of any special adjustment.*
 - (2) *If a special adjustment is approved to cover temporary or onetime cost, the special adjustment is only a temporary or one-time increase of the rent to owner.*

11. *Rent to Owner. (Effect of rent control).*

In addition to the rent reasonableness limit under this subpart, the amount of rent to owner also may be subject to rent control limits under State or local law.

12. *Rent to Owner: (In subsidized projects).*

- A. *Subsidized rent.*
 - (1) *The rent to owner in an insured or noninsured Section 236 project, a Section 515 project of the Rural Development Administration, a Section 202 project or a Section 221(d)(3) below market interest rate project is the subsidized rent.*
 - (2) *During the assisted tenancy, the rent to owner must be adjusted to follow the subsidized rent, and must not be adjusted by applying the published Section 8 annual adjustment factors. For such units, special adjustments may not be granted. The following sections do not apply to a tenancy in a subsidized project described in 982.510 (special adjustment).*
- B. *HOME. For units assisted under the HOME program, rents are subject to requirements of the HOME program (24 CFR 92.252).*
- C. *Other subsidy: HA discretion to reduce rent. In the case of a regular tenancy, the HA may require the owner to reduce the initial rent to owner because of other governmental subsidies, including tax credit or tax exemption, grants or other subsidized financing.*

13. *Other Fees and Charges.*

- A. *The cost of meals or supportive services may not be included in the rent to owner, and the value of meals or supportive services may not be included in the calculation of reasonable rent.*
- B. *The lease may not require the tenant or family members to pay charges for meals or supportive services. Non-payment of such charges is not grounds for termination of tenancy.*
- C. *The owner may not charge the tenant extra amounts for items customarily included in rent in the locality, or provided at no additional cost to unsubsidized tenants in the premises.*

14. *Distribution of Housing Assistance Payment.*

The monthly housing assistance payment is distributed as follows.

- A. *The HA pays the owner the lesser of the housing assistance payment or the rent to owner.*
- B. *If the housing assistance payment exceeds the rent to owner, the HA may pay the balance of the housing assistance payment either to the family or directly to the utility supplier to pay the utility bill on behalf of the family.*

15. *Family Share: (Family responsibility).*

- A. *The family share is calculated by subtracting the amount of the housing assistance payment from the gross rent.*

- B. *The HA may not use housing assistance payments or other program funds (including any administrative fee reserve) to pay any part of the family share. Payment of the family share is the responsibility of the family.*

16. *Family Income and Composition: (Regular and interim examinations).*

- A. *HA responsibility for reexamination and verification.*
 - (1) *the HA's responsibilities for reexamining family income and composition are specified in 24 CFR part 5, subpart F.*
 - (2) *The HA must obtain and document in the tenant file third party verification of the following factors, or must document in the tenant file why third party verification was not available:*
 - (a) *Reported family annual income;*
 - (b) *The value of assets;*
 - (c) *Expenses related to deductions from annual income; and*
 - (d) *Other factors that affect the determination of adjusted income.*
- B. *When HA conducts interim reexamination.*
 - (1) *At any time, the HA may conduct an interim reexamination of family income and composition.*
 - (2) *At any time, the family may request an interim determination of family income or composition because of any changes since the last determination. The HA must make the interim determination within a reasonable time after the family request.*
 - (3) *Interim examinations must be conducted in accordance with policies in the HA administrative plan.*
- C. *Family reporting of change. The HA must adopt policies prescribing when and under what conditions the family must report a change in family income or composition.*
- D. *Effective date of reexamination.*
 - (1) *The HA must adopt policies prescribing how to determine the effective date of a change in the housing assistance payment resulting from an interim redetermination.*
 - (2) *At the effective date of a regular or interim reexamination, the HA must make appropriate adjustments in the housing assistance payment and family unit size.*
- E. *Family members income. Family income must include income of all family members, including family members not related by blood or marriage. If any new family member is added, family income must include any income of the additional family member. The HA must conduct a reexamination to determine such additional income, and must make appropriate adjustments in the housing assistance payment and family unit size.*

17. Utility Allowance Schedule.

A. *Maintaining schedule.*

(1) *The HA must maintain a utility allowance schedule for all tenant paid*

